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The Impact of the Calgary Event Centre on the Calgary Real Estate Market (2025)

By Eddie Kamps, CFA

Executive Summary

The Calgary Event Centre (CEC), also known as the new arena for the Calgary Flames, is the centerpiece of the City of Calgary's ambitious redevelopment of the Rivers District. The original deal between the City of Calgary and the Calgary Sports and Entertainment Corporation (CSEC), the owner of the Flames, was scuttled in late 2021, however, a new deal was reached in spring 2023 that permitted the arena to start design and construction. It is hoped that the CEC will accelerate the redevelopment of this historic yet challenged area. Major infrastructure projects like sports venues can significantly increase property values and rents in neighbouring areas, but they can also lower property values if social blight persists or if there is not a stable funding model in place. The Rivers District has great potential for the appreciation of property values, but carries many risks. Neighbourhoods in immediately adjacent to the Rivers District balance risk and reward well.



Source: Calgary Sports and Entertainment

Background

The Rivers District is an area east of downtown Calgary where the Calgary Event Centre will be built. It was once a thriving residential and business district when in the early years of the city and is home to Fort Calgary and the Calgary Exhibition and Stampede. However, much of the area can be characterized by crime and social concerns, environmentally contaminated lands, inadequate infrastructure, and access problems.¹

For much of this century, Calgary City Council has been investing hundreds of millions of dollars into the Rivers District in the hope of rejuvenating an area known as Calgary's birthplace. The Rivers District Community Revitalization Plan (CRP) was passed in April 2007 to eliminate blight while creating opportunities for private sector development and redevelopment. Secondary objectives of the plan include sustainability, improved physical and social environments, and the creation of future employment opportunities.² The vision of the CRP is a vital mixed use, sustainable community with diverse populations and opportunities. The Calgary Municipal Land Corporation (CMLC), a wholly owned subsidiary of the City of Calgary, was created in conjunction with a Community Revitalization Levy (CRL) to manage and fund the redevelopment of the Rivers District. In 2019, the CMLC unveiled the Rivers District Master Plan, a detailed guide to the future of the Rivers District.

The newly approved CEC will be a key element of the plans to redevelop the area. The CEC will replace the iconic Saddledome. Built in 1983, it was a primary venue for the 1988 Winter Olympics. Although undergoing an extensive renovation in the mid-1990s, the Saddledome is past its best before date. It is currently home to the Calgary Flames of the National Hockey League, Calgary Hitmen of the Western Hockey League, and the Calgary Roughnecks of the National Lacrosse League; all teams are owned by the CSEC.

The City of Calgary and the CSEC have been in on and off discussions for several years to replace the Saddledome. An ambitious proposal named CalgaryNEXT saw the construction of a multi-use facility at the western edge of downtown Calgary, but contentious negotiations and a high price tag shelved the project. Negotiations on a location in the Rivers District resumed in 2019. After negotiations fell apart in late 2021, the two sides went back to the bargaining table and forged another agreement in April 2023.

This article will discuss the impact of the CEC on the Calgary residential real estate market. It will not give an opinion as to the decision by Council to approve the deal, the terms of the deal itself, or the accuracy or reliability of the costs and projections.



Source: City of Calgary

Key Factors

Several studies have been undertaken to determine what the effect of sports venues have on the local real estate market (the studies are listed in Sources). These studies analyzed the impacts of the Washington Redskins' FedEx Field, Berlin's Max-Schmeling Arena and the Velodrom, and Nationwide Arena and Crew Stadium in Columbus, Ohio. The key factors for impact on the residential real estate market in relation to the CEC are described below.

Location

Proximity of the real estate to the CEC will be a major factor in a potential change in value. It is highly unlikely that the CEC will have city-wide effects on the real estate market, but it will have a major influence within a several kilometer radius. Numerous studies conducted rigorous analyses of the change in home value in relation to the sports venue by way of linear distance. The studies concluded:

- Berlin: the Velodrom and Max-Schmeling Arena increased residential property values by 3.5% in the 1000 m to 2000 m band from the arenas. The Velodrom increased property values by 7.5% within 1000 m of the arena, while Max-Schmeling had no statistically significant impact³
- Maryland: it was found that the construction of FedEx Field had a positive effect on the real estate market within a 2.5 mile radius⁴
- Columbus: although the analysis of downtown arenas are confounded by the proximity to the Central Business District, as in the case with Nationwide Arena and the Columbus Blue Jackets, it was found that Nationwide Arena and Crew Stadium had a positive effect on the real estate market as every 1% increase in distance from the arena led to house values falling by 0.14%⁵

It is interesting to note that the Velodrom replaced a comparable facility while Max-Schmeling Arena was more of a greenfield development. Since the CEC is in close proximity to the current Saddledome, there is evidence to suggest that merely replacing an aging sports facility can lead to higher real estate values.

Design

Progressive and aesthetically pleasing urban design and mixed use buildings are critical for the increase of real estate values and increased rents. The Velodrom and Max-Schmeling Arenas were intended to be regarded as local amenities by neighbouring residents. Special attention was paid to architecture and the venues were incorporated into park landscapes.⁶ The increase of real estate values can be partly attributable to their appealing design and integration with the surrounding community. Similar results were seen in Columbus, as Nationwide Arena was part of a more extensive development that reinvigorated a lackluster area close to downtown Columbus.



Source: City of Calgary

Public Investment

The City of Calgary has invested significant sums of public money into the Rivers District and has plans to allocate more public money to see the Rivers District succeed. One noteworthy investment was the newly opened and award-winning Central Public Library beside City Hall. The Rivers District Community Revitalization Plan outlines approximately \$85 million in utility, road, parks, and streetscape projects that were necessary to commence redevelopment of the Rivers District and that have already been completed.⁷ An additional \$715 million to \$1.315 billion have been identified in future investments.⁸ A list of committed spending is illustrated in Table 1.

Table 1: Future Projects

| Project | Scope | Cost | Status |
|---|---|---------------|------------------------|
| BMO Centre Expansion | Expansion of current facility into Tier 1 Convention Centre | \$500 million | Completed Summer 2024 |
| Overhaul of Victoria Park-Stampede Station | Redesigning and making current C-train station to at-grade and more pedestrian friendly | \$60 million | Completed Fall 2024 |
| Renovations of Arts Common | Increase seating capacity of Arts Commons, modernization of building and Olympic Plaza | \$660 million | Broke ground Fall 2024 |

Public Transportation

The CEC will be well-served by public transportation. Calgary's two current LRT routes, the Red Line and the Blue Line, have stations in close proximity to the Rivers District. The future Green Line, which is being re-scoped with no firm completion date, but if approved it'd likely be around 2028 or 2029, will also serve the Rivers District, running east-west along the north side.

An interesting note about the Green Line's recent re-scoping by the Province of Alberta is the proposal to build a 'Grand Central Station' just north of the Calgary Event Centre along 10 Avenue S. This would support not only the Green Line, but intercity commuter rail from Edmonton, Red Deer, Okotoks, Airdrie, and possibly Banff.



Source: AECOM

Parking and Noise

There must be sufficient parking during major events to avoid congestion and illegal parking. Poorly planned parking capacity can lead to a decrease in residential property values, as users of the venues park in a wider radius and create noise pollution for local residents. It was posited that this was the direct cause of a lack of increase in property values in the vicinity of Max-Schmeling Arena. This did not occur with the Velodrom. Even though the facilities are of comparable use, architectural quality, and physical size, there was sufficient parking at the Velodrom to accommodate the number of fans attending games.⁹ Without adequate parking and transportation systems, rowdy fans can cause inconveniences that lower desirability and decrease real estate values.

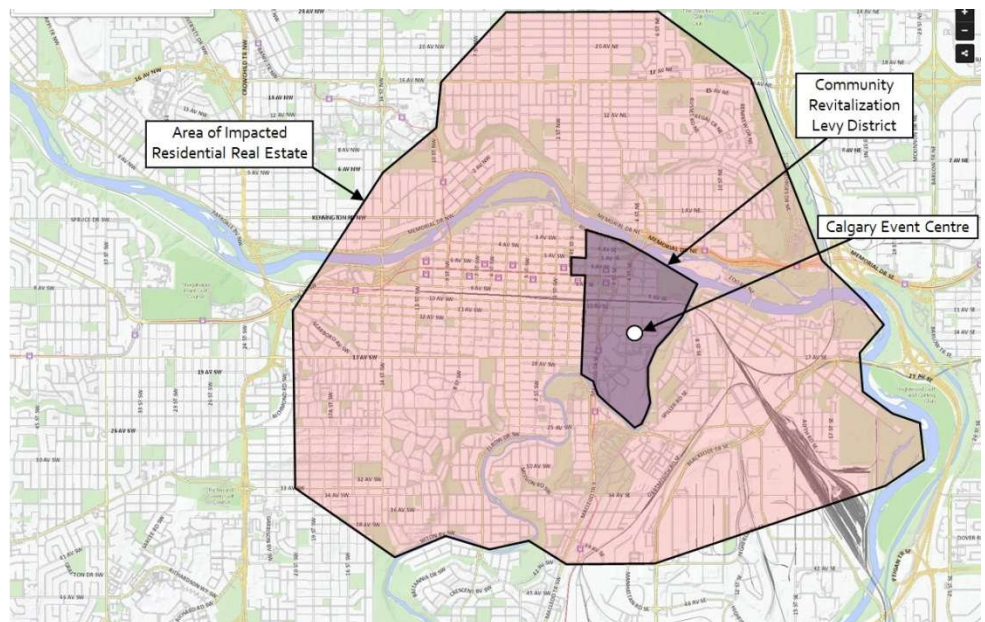
Stable Funding Model and Fiscal Sustainability

The City of Calgary has chosen to use a Community Revitalization Levy (CRL) to fund the redevelopment of the Rivers District. The funding model and tax implications will be a critical variable in how the CEC affects the residential real estate market and it is worth exploring this avenue in detail. This was explored by the University of Calgary's School of Public Policy in a paper published earlier this year.

A CRL is a funding mechanism that permits the City of Calgary to impose an additional property tax on properties in the Rivers District. This is based on the incremental assessed value of the property from the time the CRL was passed to the current assessment period multiplied by the CRL rate. The intent is that these funds will be used to fund projects to develop the area, thereby offsetting the increase in property taxes levied on the property owner. The current CRL for the Rivers District was passed on September 27, 2006 for a period of 20 years; it has been recently extended to 2047.

As identified by the School of Public Policy, the CRL framework needs to be guided by the principles of transparency, accountability, and public awareness. The use of a CRL must be for local needs and must pass three tests:

- Private investment would not have occurred in absence of the CRL (the "but-for test")
- The revitalization zone meets the criteria of blight (the "blight test")
- The local economic environment will grow sufficiently over the lifetime of the CRL to cover the costs of borrowing to incentivize that growth¹⁰



The danger of the CRL is that the City of Calgary will not relinquish this source of funding after the objective of the CRL is fulfilled. CRL revenues must be tied to new projects.¹¹ Rather than forgo this revenue and return it to the property owners of the Rivers District, scope creep and the investment in projects with declining marginal returns could impose a detrimental tax burden on property owners. This is particularly acute if Calgary's sluggish

growth in light of the recent recession persists. The School of Public policy identifies a lack of defined scope for future projects as a warning sign. The Community Revitalization Plan of April 2007 outlines costs within an order of magnitude, but scope creep and cost overruns are a real possibility. For example, the recently announced overhaul of Victoria Park-Stampede Station could be included in the line item "Infrastructure in Beltline/Stampede Park"¹², but many of the line items are so vague that marginal and expensive projects could be sanctioned.

The impact of the funding model cannot be overestimated, as evidenced by the experience of taxpayers in the Dallas area. When the Dallas Cowboys were in negotiations to build a new stadium, two options were considered: Dallas Fair Park and its current location in Dallas County. Property values *increased* in the Dallas Fair Park area after the announcement that the stadium would not be located there. Property values *decreased* in Dallas County as the stadium was to be partially funded by a 0.5% increase in the local sales tax.¹³

Social Infrastructure

Some parts of the current Rivers District are the sites of affordable housing, drop-in centres, and other services for those with social issues. According to the Community Revitalization Plan, there is no intention of relocating these facilities.¹⁴ While it can be noble to integrate those with social issues into the broader community, the realities of the presence of these pieces of social infrastructure could mean lower property values and rents if symptoms like increased crime rates and homelessness persist.

Impact

It appears that the most critical factors for an increase in real estate values and rents with respect to the construction of a major sports venue are:

- Mixed use development with a progressive design and amenities
- Sufficient parking for major events
- Convenient and user-friendly transportation connections
- Well-behaved fans and acceptable levels of noise
- A stable funding model (CRL)
- Discontinuation of blight

A real estate investor has two broad options if they want to take advantage of the impacts of the CEC on the Calgary real estate market: 1. Invest in the Rivers District or 2. Invest Immediately Outside the Rivers District.

Table 2: Reasons to and not to invest in the Rivers District

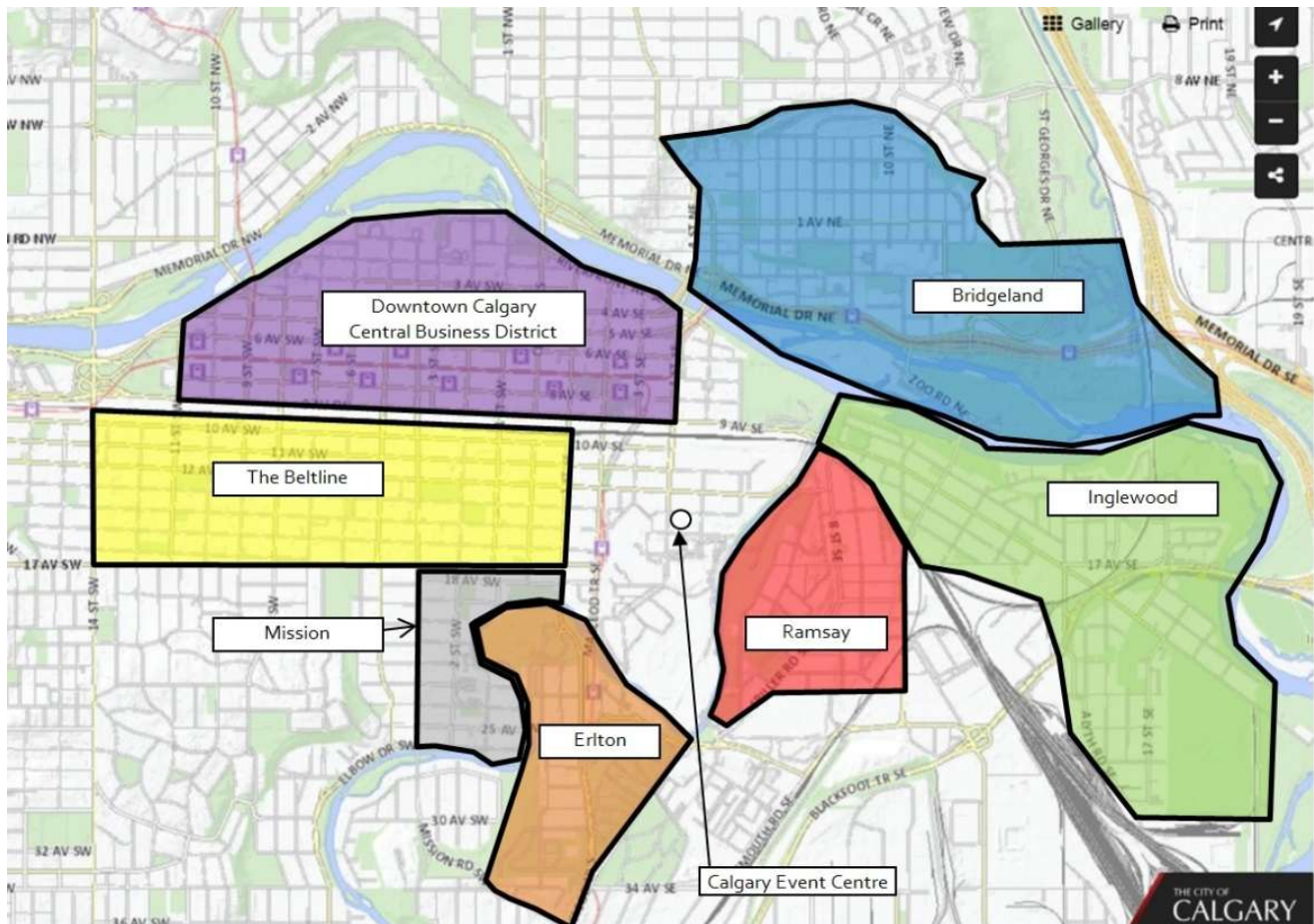
| Reasons to Invest in the Rivers District | Reasons NOT to Invest in the Rivers District |
|--|--|
| Progressive and appealing mixed-use developments | If you believe social blight will adversely impact quality of life and desirability |
| A plethora of social amenities like parks, recreation areas, and festivals | If you believe the City of Calgary cannot demonstrate fiscal restraint and invest in marginally impactful projects |
| If you believe there will be sufficient parking | |
| If you believe current and future transportation infrastructure will accommodate demand | |

Another interesting note is that buried in the many agreements between the City of Calgary and CSEC gives the right for CSEC to develop several parcels for real estate projects.

If you are optimistic about the positive effects of the CEC but are weary of investing directly in the Rivers District because of social blight or the CRL, ponder these neighbourhoods instead:

Table 3: Invest Immediately Outside the Rivers District

| Neighbourhood | Rationale |
|-----------------------|--|
| Ramsay | Very close proximity to the CEC, future Green Line will increase property values, redevelopment of Rivers District will create a "bridge" to downtown and cure social blight |
| Inglewood | Walking distance to CEC, future Green Line will increase property values, trendy and redeveloping neighbourhood |
| Bridgeland | Walking distance to CEC, trendy and redeveloping neighbourhood |
| Mission/Erlton | Very close proximity to the CEC, already serviced by Red Line, trendy and in-demand neighbourhoods |
| Beltline | Currently an in-demand area, home of the Red Mile although development of new bars and pubs could negatively impact 17 Avenue |



Source: City of Calgary

My Investment Opinion

I believe that the Calgary Event Centre is an investable project and residential real estate investors should seriously consider taking advantage of the opportunity. There are several factors which influenced my thinking:

- Public and Institutional Investors – the Rivers District will see billions of dollars of public and private sector investment. The BMO Centre Expansion and Victoria Park-Stampede station projects are already complete. Arts Commons has commenced and the Green Line should go ahead. The Calgary Event Centre is the lynchpin to the rejuvenation of downtown. It is often wise for retail real estate investors to follow this type of money and these types of projects
- Grand Central Station – if the Green Line and regional rail projects proceed, there is an argument that the value of real estate close to the Calgary Event Centre would, all things being equal, go down (or not appreciate as much), because it will be easier for those in outlying areas to travel there. While this is a valid point, it misses the greater trend of development around the Calgary Event Centre and the vision of it becoming an entertainment district. The Calgary Event Centre would not be the only attraction and the increased connectivity of a Grand Central Station would make the area more attractive to renters and guests
- Strategy and Approach – while a long term rental/buy and hold strategy would likely work in the immediate vicinity of the Calgary Event Centre, the most optimal investment would be a short term rental, providing the building permits them, the condo board supports it or cannot meaningfully interfere with their operation, and the short term rental regulations from the City of Calgary accommodate them.

About

I am a full-service realtor serving the buying and selling needs of primarily residential customers in the Calgary area since 2016, with a focus on investment properties for middle income earners, strategic first-time homebuyers, and young families.

Education

- Real Estate Development Leadership Certificate – University of Calgary/Real Estate Development Institute, 2023
- Diploma of Interior Design – Interior Design Institute, 2024
- BSc, Civil Engineering – Royal Military College of Canada – Class of 2007
- BA, Political Economy – Athabasca University, 2013
- Executive MBA with Finance Specialization – University of Calgary, 2015
- BA, English – Athabasca University, 2024
- BA, History – Athabasca University, 2024

Professional Associations

- Professional Engineer (P Eng)
- Chartered Financial Analyst (CFA)
- Project Management Professional (PMP)

Personal

I have been married to my wife, Jody, since 2011 and we have two sons, Andrew and Jonathan, and a daughter, Julianna. I am a former member of Princess Patricia's Canadian Light Infantry, a regiment in the Canadian Armed Forces, and served for one tour of duty in Afghanistan in 2009/10. Since completing my service, I have worked in the energy and mining sectors as a development and operations engineer. Keenly interested in real estate, I have steadily built my investment real estate portfolio since 2015. When I'm not thinking about real estate, I'm devoted to my kids, study history, and nurse a nascent addiction to college football, particularly the Texas A&M Aggies.

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Disclaimer

Real estate investing is inherently risky. Proper due diligence is required on the part of the investor. Consult the necessary professionals before undertaking investment. This article is for illustrative purposes only. Maps may not conform to CREB boundaries or colloquial definitions.

Sources

- Calgary Municipal Land Corporation. *Rivers District Master Plan*. 2019.
- City of Calgary. *Rivers District Community Revitalization Plan*. April 2007.
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- Marina Spahlinger and Nancy Wanye. *Community Revitalization Levy as a Municipal Financing Mechanism in Alberta*. University of Calgary School of Public Policy. Volume 12.4. February 2019.
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End Notes

¹ City of Calgary. *Rivers District Community Revitalization Plan*. April 2007. P 1

² Ibid. P 15

³ Gabriel M. Ahlfeldt and Wolfgang Maennig. *Impact of sports arenas on land values: evidence from Berlin*. The London School of Economics. LSE Research Online. October 2009. P 14

⁴ Xia Feng and Brad R. Humphreys. *Assessing the Economic Impact of Sports Facilities on Residential Property Values: A Spatial Hedonic Approach*. North American Association of Sports Economists. August 2008. P 3

⁵ Ibid. P 10

⁶ Gabriel M. Ahlfeldt and Wolfgang Maennig. *Impact of sports arenas on land values: evidence from Berlin*. The London School of Economics. LSE Research Online. October 2009. P 3

⁷ City of Calgary. *Rivers District Community Revitalization Plan*. April 2007. P 41-52

⁸ Ibid. P 82

⁹ Gabriel M. Ahlfeldt and Wolfgang Maennig. *Impact of sports arenas on land values: evidence from Berlin*. The London School of Economics. LSE Research Online. October 2009. P 17-18

¹⁰ Marina Spahlinger and Nancy Wanye. *Community Revitalization Levy as a Municipal Financing Mechanism in Alberta*. University of Calgary School of Public Policy. Volume 12.4. February 2019. P 3

¹¹ Ibid. P 12

¹² City of Calgary. *Rivers District Community Revitalization Plan*. April 2007. P 82

¹³ Xia Feng and Brad R. Humphreys. *Assessing the Economic Impact of Sports Facilities on Residential Property Values: A Spatial Hedonic Approach*. North American Association of Sports Economists. August 2008. P 5

¹⁴ City of Calgary. *Rivers District Community Revitalization Plan*. April 2007. P 71

Scotia Place (Calgary Events Centre)



Rendering HOK & DIALOG

The Province of Alberta, the City of Calgary, the Calgary Sports and Entertainment Corporation, and the Calgary Stampede have signed agreements to move forward to the design and construction phase of the Calgary Events Centre project.

The arena is anticipated to cost \$800 million, while other expenses, including surrounding infrastructure, bring total project cost to \$1.22 billion.

The Government of Alberta is providing \$330 million for infrastructure investments, including land purchases, road and bridge construction, and demolishing the Saddledome.

Construction began on July 22, 2024. For full project details please see the City of Calgary project website below.

| | |
|-------------------------|---|
| Municipality: | Calgary |
| Sector: | Tourism / Recreation |
| Type: | Event Space |
| Schedule: | 2024 - 2027 |
| Estimated Cost: | \$1.2B |
| Stage: | Under Construction |
| Developer: | The City of Calgary, Calgary Sports and Entertainment Corporation |
| Contractor: | CANA & Mortenson |
| Architect: | HOK & DIALOG |
| Project Website: | https://www.calgary.ca/major-projects/scotia-place.html?redirect=/scotiaplace |
| Related Links: | Oct 5, 2023 - Government of Alberta News Release Jul 22, 2024 - City of Calgary News Release |

Calgary's new event centre 'officially under construction'

'To know we've officially broken ground, that's a whole next level. Because you know this is actually going to happen,' said Sonya Sharp, Ward 1 Coun. and chair of the event centre committee

Author of the article:

By [Steven Wilhelm](#)

Published Sep 03, 2024



Workers and machinery operate in the shadow of the Saddledome at the site of the new Scotia Place events centre in Calgary on Tuesday, September 3, 2024. Brent Calver/Postmedia

What you need to know about the City of Calgary's event centre agreements

By [Adam MacVicar](#) Global News

Posted February 1, 2024 8:20 pm

Updated February 2, 2024 1:08 pm



Final agreements for Calgary's Event Centre project have been released with details on cost overruns and a goal of construction this year. As Adam MacVicar reports, the more than 700 pages are released across 16 different documents. – Feb 1, 2024

Months after they were signed, the final agreements for Calgary's event centre project are now public, with plans to begin construction on the building as soon as later this year.

The agreements between the City of Calgary, Flames owners' Calgary Sports and Entertainment Corporation (CSEC), the Government of Alberta and the Calgary Stampede, were posted publicly for the first time on Thursday.

"Calgarians who review these agreements will see a lot of familiar information," City of Calgary infrastructure services general manager Michael Thompson said in a statement. "Much of the information contained in these agreements was released in October 2023 with the announcement of final agreements."

The [agreements](#) span across 16 different documents and more than 760 pages; some pages, especially around land agreements, are heavily redacted to "protect sensitive and proprietary information about the project's partners."

"When you're financing a billion dollar project, you need to make sure that all of your I's are dotted and all of your T's are crossed," Concordia University economist Moshe Lander told Global News. "It looks like it's pretty standard fare."

According to the documents, the event centre will be “LEED certified,” and is described as a “state-of-the-art entertainment and sports gathering place” for Calgarians.

Although designs have not yet been released, the agreement said the building will hold 18,000 seats, indoor and outdoor plazas, a community rink, as well as include amenities and facilities similar to other NHL rinks in Edmonton, Detroit, Las Vegas, Columbus and St. Paul.

The agreement states the community rink must be available for the public between 4:30 p.m. and midnight on weekdays, and 6 a.m. and midnight on weekends. The hourly rental rate must also be 15 per cent less than the average rental rate charged to minor sports organizations in the Calgary.

The budgeted cost for the event centre building is \$873.6 million, with the community rink’s total budget pegged at \$52.6 million. Any spending above those amounts will be considered cost overruns which will require approval from an internal steering committee.

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If the event centre building goes over budget, the documents state the additional costs must be split 50-50 by the City of Calgary and CSEC.

Seventy-five per cent of the first \$7.2 million in cost overruns on the community rink will be covered by the city, with any further spending split evenly with CSEC.

There are also provisions in the agreement that aim to find savings elsewhere in the project to offset cost overruns before either side allocates more funding.

“It probably will go over budget,” Lander said. “It just means that the city and therefore, the taxpayers, are on the hook for half that amount. Is it better than being on the hook for 100 per cent? Yeah, I guess so.”

The City of Calgary, which will own the building, is putting up \$537 million up front to build the event centre, parking, a plaza space and a quarter of the attached community rink. CSEC will pay \$40 million up front and pay a \$17-million annual lease payment to the city that will increase by one per cent over the next 35 years.

More than half of that annual lease payment will be through a 9.5 per cent franchise fee, or ticket tax, on tickets for all events in the new building.

The city’s share of the franchise fee will be capped at \$10 million in the first year of the lease term, and will grow by the previous year’s amount plus one per cent annually over the term of the deal.

Peter Oliver, founder of Project Calgary, is critical of the franchise fee repayment in the agreement as it will be paid by citizens.

“A ticket tax isn’t paid by the Flames owners,” Oliver told Global News. “The ticket tax is paid by citizens who want to go see a concert or a hockey game at their arena.”

Licensing and revenue from naming rights of the new event centre will go to CSEC, but the city will have final approval of a partner.

The City of Calgary must also lead the work, in collaboration with the project’s partners and the Stampede, to create an event management plan for the area, according to a provision in the agreement.

The entire project is expected to cost \$1.2 billion dollars, which includes improvements to the public realm around the event centre in the Rivers District, and general improvements to area transportation and infrastructure.

Those infrastructure improvements will be covered by \$330 million in provincial funding, which is also expected to cover the demolition of the Saddledome and half of the cost of the community rink. One of the six infrastructure improvement projects includes an underpass at 6 Street S.E., which is expected to be complete in 2027.

The city announced last month that enabling works have begun in the area to prepare for the incoming event centre building, including a relocation of 5 Street S.E. between 12 Avenue and 14 Avenue S.E. half a block east to make room for the 10 hectare building.

Ward 1 Coun. Sonya Sharp, who also chairs city council’s Event Centre Committee, said in a statement that she is glad the agreements are now public.

“I think it’s really valuable that everyone has the chance to understand the details of this project. Work is well underway, and Calgarians should expect to see enabling construction activity begin in the coming months. The next major milestone the public will see is obtaining permits,” Sharp said.

“2024 is going to be a big year for this project and for the area. I will be excited to see more details on the design, and I know many Calgarians will be too.”

According to the city, the project team is expecting to finalize a construction schedule in the coming months, which will include a design reveal, applications for development permits and ground-breaking on the project.

The city said the plan is to begin construction sometime in 2024. The agreement states the first day of CSEC’s lease on the new Event Centre is Sept. 1, 2026.

The agreements also mean the Flames must remain in Calgary for the duration of the 35-year lease.