

The Olympics Were Here: So What?

Tsur Somerville. PhD

May 2010

Presentation for Vancouver real
Estate Forum

Olympics: No Economic Panacea But.....

- No evidence of a NET economic benefit from the Olympics
- Not every investment post-Olympics is because of the Olympics
- Leveraging our advantages from Olympic exposure
 - Tourism
 - Being Greencouver – with a caveat

Research Evidence: No Evidence of an Economic Impact

- **Stock market reaction – nothing consistent**
 - Except the Athens Exchange rose on the awarding of the 2004 Olympics
- **Trade grows for winners but losing bidding cities too**
- **House prices do not respond to**
 - Awarding the Games
 - Lead up to the Games
 - Period after the Games

Playing Tricks With Evidence

- **If it's good it's because of the Olympics**
- **Highlighting winners & ignoring losers**
 - Construction firms and construction employment benefit
 - Retail downtown benefits
 - Retail elsewhere loses
- **Taxes to pay for it impose a cost on the economy**



- Monopoly supplier of the Olympic brand
- Many cities competing to “buy” it
- Who profits?



- Olympics invest large amounts of money in low return facilities
- Sliding vs Knowledge



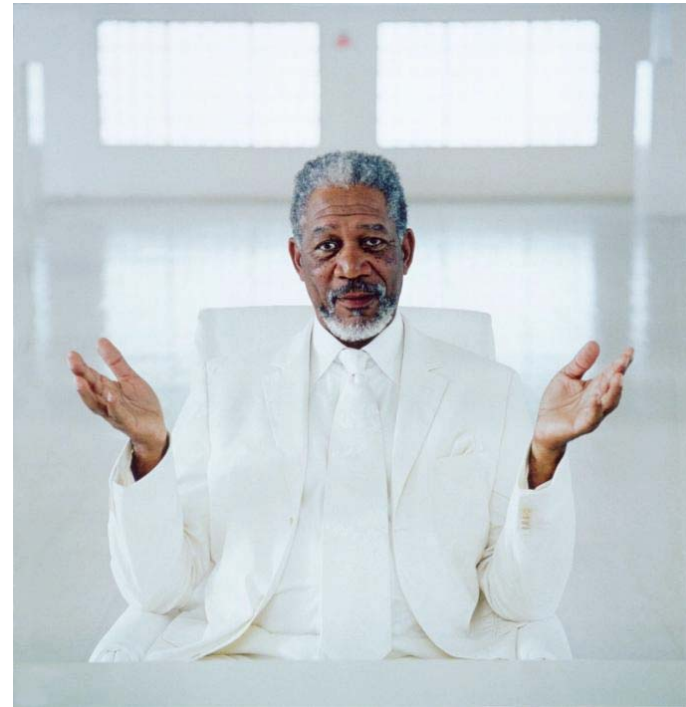
- Olympics infrastructure demands are not the same as the economy's
- Sea to Sky vs Highway 1 Corridor



- **The money is committed - “sunk cost”**
- **Olympics = attention**
 - Promoting tourism
 - Investment
- **The “why” – why invest here?**
 - Identify Vancouver’s comparative advantage
 - Suggest “high amenity city”
 - Nature / environment / green

High Quality of Life / Amenity City

- What makes Vancouver such an attractive city?
- Larry Beasley or God



Saying Something Positive about The City of Vancouver Government

- **Emphasizing our relative strengths**
 - Nature / environment
 - Stress green business / sustainability
- **Kudos to the city for this focus**

- **Religious virtue vs. economics:**
 - For economic policy still need a cost-benefit test
- **Pricing ourselves out of the market**
 - Housing affordability
 - Green comes with a price tag : “green at any cost”

100 Mile Diet for Vancouver

