



This is the future if HB 2001 eliminates single family home zoning!

Land values beckon bulldozers

Lot assemblies signal wholesale housing demolitions: one in four Vancouver houses sold to be torn down!!!

By Frank O'Brien | June 20, 2018, 1:05pm



One in four houses sold in Vancouver are demolished, according to a University of British Columbia Teardown Index study | Photo: Chung Chow

The three houses on East Sixth Avenue in Vancouver would have likely lasted for years: two of them appear fairly modern, but the value of the land beneath them combined with higher-density zoning doomed them.

Assembled into a 14,000-square-foot land assembly, the detached houses sold in May for a combined \$5.74 million, the equivalent of nearly \$410 per square foot, for a new townhouse development.

Soaring Vancouver land values are also leading to a rush of strata windups, where owners of older townhouse or condominium projects vote to sell the entire complex for the land value. A recent example is in the West End, where a 53-unit condo project on less than half an acre sold for \$52 million. In North Vancouver, sites with old townhouses on them are selling for up to \$10 million an acre.

In the first three months of this year, residential land sales in Metro Vancouver dominated real estate investments, with \$1.14 billion in transactions, according to a survey by Altus Group. Land sales accounted for 57% of the entire real estate investment market in the first quarter, noted Paul Richter, an Altus Group director.

Due to a lack of vacant Metro land, the majority of residential land deals lead to demolition of existing homes. In the past 30 years, 26,700 Vancouver detached houses, or 40% of the all houses, were demolished and replaced, according to a teardown index study from the University of British Columbia (UBC) school of architecture.

UBC architectural professor Joseph Dahmen, co-author of the teardown study, estimated that one-quarter of the Vancouver houses being sold today will be demolished.

The bulldozers could get even busier, because of a new City of Vancouver plan for blanket zoning of single-family neighbourhoods to allow for development of townhouses, row houses and laneway houses.

The city's Making Room plan, which goes to council this week, would rezone 65,000 single-family detached lots over the next year to 18 months for higher density housing which, according to a city report, "are affordable to medium-income residents."

Soaring land values, however, threaten that affordability scenario. In the Cambie Street corridor, which already has higher-density zoning for detached lots, the current benchmark price for a detached house is \$3.5 million, according to the Real Estate Board of Greater Vancouver. In December 2017, however, a condo developer paid \$8.5 million for a "teardown" 66-year-old house on an 8,760-square-foot lot at West 35 Avenue at Cambie Street as part of a land assembly.