

The dark side of the hot market

Too many people can't afford to live in Greater Vancouver; it's time to consider freeing up vacant land for housing

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We all know how hot the Greater Vancouver housing market is, and many sellers and homeowners have benefited handsomely from it.

But as climbing prices further outpace incomes, affordability inevitably decreases. This is the dark side of today's housing market, and its impacts are many.

Can a young family or retiring senior afford to stay in the neighbourhood where their roots are?

Will a new college graduate build her career in the Lower Mainland, or migrate elsewhere?

Is that much-sought-after out-of-town job applicant going to accept the offer from a local business desperate for his skills?

Housing affordability also contributes to some of our biggest social problems. One of the focal points of the Greater Vancouver Leadership Summit opening today will be homelessness.

Well more than 2,000 people in the region were found to be without a home in 2005, nearly double the number in the previous count three years earlier.

Opinion leaders and policy-makers have committed to wrestle with the causes and costs associated with that problem, and I hope this will include discussing one of the most fundamental ingredients of affordable housing -- space to build.

We're approaching the point, in some areas of the Lower Mainland, where the cost of the land itself accounts for close to half the total cost of housing units built on it. Of course, we have some fixed geographic constraints, but we've also chosen to limit our options to a remarkable degree.

According to the Greater Vancouver Regional District, nearly 200,000 hectares of land -- about 70 per cent of the entire regional land base -- is currently set aside in what's referred to as the Green Zone. That includes areas such as watersheds, wetlands, conservation areas and parks, which have obvious ecological and quality-of-life importance.



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But one of the most common reasons for precluding residential development on land is its use (or potential use) for agriculture. Some 60,000 hectares of the GVRD -- about 20 per cent of the entire regional land base -- are included within the Agricultural Land Reserve.

The time has come to reconsider the logic and value of this particular exclusion on this scale within one of Canada's largest and most severely housing-constrained metropolitan areas.

Recent research from the Rappaport Institute at Harvard University, for example, identified various consequences of a restricted housing supply, including more volatile housing prices; longer-term income and employment declines (as businesses exit high housing-cost regions), and reduced demographic diversity.

All of these factors should be considered by the provincial government when applications are made to remove land from the ALR.

There's also the issue of non-critical use of existing ALR land, particularly in urbanized areas. How much does land set aside for wineries, high-end riding academies and hobby farms contribute to food security?

The need for and value of additional areas for residential development are clear, and we have the urban planning tools to make attractive, responsible and highly efficient use of newly released land.

But it starts with room to build. There are enough under-used lands within the ALR in Greater Vancouver to improve housing availability and affordability.

It's time for an upfront discussion of the best use of ALR land. Our community's future calls for nothing less.

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