

Official policies and the housing shortage

Steve Lornie

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Re: Strategy on housing and homelessness conflicted and confused, Aug. 31

Harvey Enchin's review of the Greater Vancouver Regional District's draft housing strategy points out a number of inconsistencies and shortcomings. I'd like to add a few more.

Open-shop companies build most of the homes in the GVRD. We and our developer/clients are well aware of what is driving up the cost of housing. The GVRD draft policy fails to adequately address or even recognize the causes.

The open-shop construction industry knows where the solutions can be found.

- Municipal approval delays and uncertainties: Onerous regulatory demands add both risk and delay to every proposed development, thus increasing both interest costs and the level of profit required to justify a developer taking on such risk. We have reached the stage where it takes longer to get approval than it takes to construct the building. This was not the case a generation ago when the average working family in Metro Vancouver could afford a decent home.

- Green Zone/agricultural land reserve set-asides: Seventy per cent of the GVRD land base is to be kept off-limits (in perpetuity) to development of any sort. If we as a community find this to be desirable, then we must also accept its obvious consequences, one of them being a shortage of buildable land. Much of the set-aside land is flat, near services and transportation corridors, and currently vacant or in marginal use. The Independent Contractors and Business Association of B.C. believes it is time for a rational discussion of these set-asides and their effect on housing prices.

- Municipal development fees: These fees can run to tens of thousands of dollars per dwelling unit. The GVRD suggests raising these fees to create an affordable housing fund to be administered, of course, by the GVRD. These fees, in part, are a cause of un-affordability, not a solution to it.

- Densification: This is a policy that, on the surface, makes sense in many ways. It reduces auto use and urban sprawl, and it makes better economic use of land. However, all experience to date shows that local opposition to the densification of existing neighbourhoods will ensure that this policy will never add enough housing units to have a serious effect on housing supply or affordability.

- Tax policy: The capital gains tax as it applies to real estate holdings creates an incentive to hold on to an under-utilized site, rather than sell it for development.

GVRD policy-makers also show an inability to understand the dynamics of the housing market. Their belief that "the private market alone cannot deliver the full spectrum of housing needs" is both self-serving and false.

Steve Lornie is an owner of Stonecroft Management, a Lower Mainland construction company.

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