THE MUNICIPAL SUBDIVISION APPROVAL PROCESS IN METROPOLITAN VANCOUVER

by

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We accept this thesis as conforming to the required standard

THE UNIVERSITY OF BRITISH COLUMBIA

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Date April 16, 1974
ABSTRACT

The supply of serviced building lots in Metropolitan Vancouver is falling short of the demand for serviced building lots for the purpose of residential construction. The amount of time required for the process of approval of applications for major subdivisions of raw land into serviced residential building lots is an important factor which affects the rate of supply of serviced building lots within a municipality. It is the purpose of this paper to examine the municipal subdivision approval process in a sample of metropolitan Vancouver municipalities to determine whether the time required for approval of applications for subdivision of raw land into serviced building lots is increasing in these municipalities hence creating a delay in the supply of residential building lots.

This problem was analyzed by collecting data to identify the market conditions of supply and demand for residential dwelling units in Metropolitan Vancouver by assembling available information regarding dwelling unit starts, population growth and income levels. Major developers, consulting engineers, municipal planners and municipal engineers were interviewed and processes, charts and tables were drawn up where possible indicating:

(1) the time required for the processing of applications in four Metropolitan Vancouver municipalities in 1971, 1972 and 1973,

(2) the actual subdivision approval process in these municipalities,
(3) significant constraints relating to each procedure. All of the significant components of the procedures of the four municipalities were assembled into three basic procedures: a general subdivision approval procedure, a procedure involving a zoning amendment, and a procedure involving land use contracts. These procedures were closely analyzed and recommendations were made regarding solutions to problems found.

It was found that the time required for approval of applications had increased in some municipalities between 1971 and 1973 resulting in a delay in the supply of building lots produced in these municipalities. Land Use Contracts were found to be a major constraint operating within the approval process wherever they were used. The financial position of municipalities and the decision making process of municipalities are cited as possible external factors which could operate as a constraint on the operation of the municipal approval process and are suggested areas of future research.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>The Problem</td>
<td>1</td>
</tr>
<tr>
<td>The Significance of the Problem</td>
<td>1</td>
</tr>
<tr>
<td>Hypotheses</td>
<td>2</td>
</tr>
<tr>
<td>Limitations of Study</td>
<td>3</td>
</tr>
<tr>
<td>Procedure in Development of Thesis</td>
<td>4</td>
</tr>
<tr>
<td>II SUPPLY AND DEMAND FOR HOUSING - THEORETICAL ANALYSIS</td>
<td>7</td>
</tr>
<tr>
<td>Summary of Supply and Demand</td>
<td>10</td>
</tr>
<tr>
<td>Effect of Surplus Demand on Land Pricing</td>
<td>12</td>
</tr>
<tr>
<td>Effect of Surplus Demand on the Supply of Housing Units to the Market</td>
<td>16</td>
</tr>
<tr>
<td>III SUPPLY AND DEMAND FOR HOUSING IN METROPOLITAN VANCOUVER</td>
<td>20</td>
</tr>
<tr>
<td>Demand for Housing as a Function of Income</td>
<td>21</td>
</tr>
<tr>
<td>Demand for Housing as a Function of Population</td>
<td>25</td>
</tr>
<tr>
<td>The Supply of Housing in Metropolitan Vancouver</td>
<td>28</td>
</tr>
<tr>
<td>IV THE SUPPLY OF SERVICED RESIDENTIAL DWELLING SITES - AN EXAMINATION OF THE FACTORS DETERMINING QUANTITATIVE EXPECTATIONS OF INCREMENTS TO EXISTING HOUSING STOCK THROUGH THE DEVELOPMENT OF SERVICED RESIDENTIAL DWELLING SITES</td>
<td>38</td>
</tr>
<tr>
<td>Static Analysis of the Residential Dwelling Unit Supply Process</td>
<td>38</td>
</tr>
<tr>
<td>Dynamic Analysis of the Residential Unit Supply Process</td>
<td>45</td>
</tr>
<tr>
<td>V TIME REQUIRED FOR SUBDIVISION APPROVAL</td>
<td>52</td>
</tr>
<tr>
<td>Selection of Municipalities</td>
<td>52</td>
</tr>
<tr>
<td>Pitt Meadows</td>
<td>52</td>
</tr>
<tr>
<td>Richmond</td>
<td>53</td>
</tr>
<tr>
<td>District of Coquitlam</td>
<td>54</td>
</tr>
<tr>
<td>Surrey</td>
<td>54</td>
</tr>
<tr>
<td>CHAPTER</td>
<td>PAGE</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>Analysis of Time Required for Subdivision Approval in Each Municipality</td>
<td>55</td>
</tr>
<tr>
<td>Richmond</td>
<td>55</td>
</tr>
<tr>
<td>Pitt Meadows</td>
<td>60</td>
</tr>
<tr>
<td>District of Coquitlam</td>
<td>65</td>
</tr>
<tr>
<td>Surrey</td>
<td>68</td>
</tr>
<tr>
<td>VI</td>
<td>THE MUNICIPAL APPROVAL PROCESS</td>
</tr>
<tr>
<td>General Subdivision Procedure</td>
<td>82</td>
</tr>
<tr>
<td>Stage I - Preparation for an Informal Meeting</td>
<td>82</td>
</tr>
<tr>
<td>Stage II - The Informal Meeting</td>
<td>82</td>
</tr>
<tr>
<td>Stage III - Preliminary Application</td>
<td>83</td>
</tr>
<tr>
<td>Stage IV - Processing of Preliminary Application</td>
<td>83</td>
</tr>
<tr>
<td>Stage V - Application for Final Approval</td>
<td>84</td>
</tr>
<tr>
<td>Stage VI - Municipal Review of the Application for Final Approval</td>
<td>85</td>
</tr>
<tr>
<td>Stage VII - The Development or (servicing) Agreement</td>
<td>86</td>
</tr>
<tr>
<td>Stage VIII - Approval of Final Plan</td>
<td>87</td>
</tr>
<tr>
<td>Stage IX - Registration of Subdivision</td>
<td>87</td>
</tr>
<tr>
<td>Stage X - Filing for Prospectus</td>
<td>88</td>
</tr>
<tr>
<td>Subdivision Approval Procedure With a Zoning Amendment</td>
<td>89</td>
</tr>
<tr>
<td>Stage IV - Municipal Processing of Preliminary Application</td>
<td>89</td>
</tr>
<tr>
<td>Subdivision Approval Process Involving a Land Use Contract</td>
<td>90</td>
</tr>
<tr>
<td>Stage IV - Municipal Processing of Application</td>
<td>92</td>
</tr>
<tr>
<td>Analysis of General Procedure</td>
<td>94</td>
</tr>
<tr>
<td>Stage IV of General Procedure</td>
<td>95</td>
</tr>
<tr>
<td>Stage V of General Procedure</td>
<td>96</td>
</tr>
<tr>
<td>Stage VI of General Procedure</td>
<td>100</td>
</tr>
<tr>
<td>Analysis of Zoning By-law Amendments Procedure</td>
<td>102</td>
</tr>
<tr>
<td>Analysis of Land Use Contract Procedure</td>
<td>104</td>
</tr>
<tr>
<td>CHAPTER</td>
<td>PAGE</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>VII THE MUNICIPAL PROBLEM</td>
<td>111</td>
</tr>
<tr>
<td>The Financial Position of Municipalities</td>
<td>112</td>
</tr>
<tr>
<td>Policy Considerations for the Provincial Government</td>
<td>119</td>
</tr>
<tr>
<td>Development of Municipal Planning Policies</td>
<td>120</td>
</tr>
<tr>
<td>The Political Decision Making Process</td>
<td>123</td>
</tr>
<tr>
<td>VIII CONCLUSIONS</td>
<td>128</td>
</tr>
<tr>
<td>Areas for Future Research</td>
<td>129</td>
</tr>
<tr>
<td>APPENDICES</td>
<td></td>
</tr>
<tr>
<td>Appendix A-1 - General Subdivision Approval Procedure for Pitt Meadows Including a Zoning Amendment</td>
<td>131</td>
</tr>
<tr>
<td>Appendix B-1 - General Subdivision Approval Procedure for the Corporation of the Township of Richmond</td>
<td>136</td>
</tr>
<tr>
<td>Appendix B-2 - Subdivision Approval Procedure for Richmond when an Amendment to a Zoning By-law is Required</td>
<td>141</td>
</tr>
<tr>
<td>Appendix C-1 - General Subdivision Approval Procedure for the District of Coquitlam</td>
<td>144</td>
</tr>
<tr>
<td>Appendix C-2 - Subdivision Approval Procedure for the District of Coquitlam with a Zoning By-law Amendment</td>
<td>148</td>
</tr>
<tr>
<td>Appendix D-1 - General Subdivision Approval Procedure for the District of Surrey</td>
<td>151</td>
</tr>
<tr>
<td>Appendix D-2 - Subdivision Approval Procedure Involving a Change in Land Use in Surrey</td>
<td>158</td>
</tr>
<tr>
<td>Appendix E - Administrative Check List for Hypothetical Municipality</td>
<td>163</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>167</td>
</tr>
<tr>
<td>TABLE</td>
<td>DESCRIPTION</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Existing Dwelling Stock Price Rises Throughout Time</td>
</tr>
<tr>
<td>2</td>
<td>Effect of Leverage on Residential Dwelling Site Prices</td>
</tr>
<tr>
<td>3</td>
<td>Effect of Leverage on Raw Land Prices</td>
</tr>
<tr>
<td>4</td>
<td>Negative Leverage</td>
</tr>
<tr>
<td>5</td>
<td>The Prices of Homes in Metropolitan Vancouver Relative to the Average Incomes of Industrial Workers in B.C. 1963-1973</td>
</tr>
<tr>
<td>6</td>
<td>Household Formation and Dwelling Unit Starts between 1961 and 1976</td>
</tr>
<tr>
<td>7</td>
<td>Residential Building Activity - Dwelling Starts in Metropolitan Vancouver 1967-1973</td>
</tr>
<tr>
<td>8</td>
<td>Residential Building Activity - Single Family Dwelling Starts in Metropolitan Vancouver 1967 to 1973</td>
</tr>
<tr>
<td>9</td>
<td>Residential Building Activity - Multiple Dwelling Starts Metropolitan Vancouver 1967-1973</td>
</tr>
<tr>
<td>10</td>
<td>Cost of Construction of Single Family Dwellings in Metropolitan Vancouver 1960-1973</td>
</tr>
<tr>
<td>11</td>
<td>Average price of a typical serviced lot in the GVRD 1964-1973</td>
</tr>
<tr>
<td>12</td>
<td>The cost of housing in the GVRD in terms of building costs and serviced land prices 1964-1973</td>
</tr>
<tr>
<td>13</td>
<td>Major Subdivision Under Construction in Richmond August 1973</td>
</tr>
<tr>
<td>14</td>
<td>A sample of small subdivisions approved before September 1973</td>
</tr>
<tr>
<td>TABLE</td>
<td>Description</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>15</td>
<td>Applications and approvals for serviced lots in the District of Coquitlam 1970-1973</td>
</tr>
<tr>
<td>16</td>
<td>Applications and approvals for serviced lots in Surrey 1965-1973</td>
</tr>
<tr>
<td>17</td>
<td>Population and Household Characteristics of Woodbridge Community on the Woodbridge Subdivision...</td>
</tr>
<tr>
<td>18</td>
<td>Property Tax Base for Woodbridge 1965-1966</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>FIGURE</th>
<th>DESCRIPTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Interactions of Supply and Demand for the Housing Stock</td>
<td>11</td>
</tr>
<tr>
<td>2</td>
<td>Fertility Rates</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Diagram of the Static Analysis of the Residential Dwelling Unit Supply Process</td>
<td>39</td>
</tr>
<tr>
<td>4</td>
<td>Pictorial Representation of the Dynamic Analysis of Residential Dwelling Unit Supply Process</td>
<td>46</td>
</tr>
<tr>
<td>5</td>
<td>General Approval Procedure</td>
<td>79</td>
</tr>
<tr>
<td>6</td>
<td>Approval Procedure with a Zoning Change</td>
<td>80</td>
</tr>
<tr>
<td>7</td>
<td>Approval Procedure with Land Use Contract</td>
<td>81</td>
</tr>
</tbody>
</table>
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CHAPTER I

INTRODUCTION

The Problem

This study is an attempt to determine that a shortage of supply of serviced building lots for development of single family dwellings in the lower mainland of B. C. relative to demand for such lots exists and to identify the municipal subdivision approval procedure in the lower mainland of B. C. as one of the causes of the shortage of supply.

The Significance of the Problem

The significance of this problem is that as less land is made available for housing construction relative to the increasing demand for housing the result is a reduction in the number of dwelling units added to the existing stock. It is the standing stock of housing that determines the price levels of housing in the market, thus, if increments to the existing stock are inadequate an increase in demand will cause an increase in the price levels of standing stock. The increased market price levels for housing will cause an increase in the price of raw and serviced land as vendors of raw or serviced land are in a position where there is a shortage of serviced land relative to the demand for serviced land and purchasers of this land can afford to pay more money for this land as the increase in the
market price of housing will permit an increase in the price of
serviced land. In effect the shortage of supply of serviced land
places increasing pressure on the price of land for immediate develop­
ment. A further effect may be that the builder of a home on the
more expensive serviced land may build the most expensive dwelling
unit possible to take full advantage of the highest market price as
determined by the market of existing stock, maximizing his builder's
profit. Thus the supply of lower priced homes may be reduced until
the supply of expensive homes satisfies the demand.

Hypotheses

The hypotheses that are investigated focus on the problem of
a shortage of supply of residential building lots in Metropolitan
Vancouver with reference to the amount of time required for the
municipal subdivision approval procedure in Metropolitan Vancouver
municipalities to complete one of its major functions which is the
processing of applications for subdivision of raw land into serviced
building lots for the construction of single family dwellings.

The first hypothesis to be analyzed asks the question: Is
there a shortage of residential building lots relative to the demand
for residential building lots in Metropolitan Vancouver?

The second hypothesis concerns whether the municipal sub­
division approval process in certain Metropolitan Vancouver municipal­
ities is becoming less efficient requiring more time to complete its
function than it required in previous years. The significance of
this postulation is that the production of serviced building lots
is being delayed in these municipalities thus reducing the supply of
building lots produced in certain time periods.

A third and final hypothesis asks if the use of Land Use Contracts in certain municipalities in the process of approval of subdivisions of raw land into serviced building lots for single family dwellings restricts the operation of the approval procedure in these municipalities hence increasing the time required for subdivision approval.

Limitations of Study

The first limitation of this study is the fact that it does not provide an empirical analysis of the production of serviced lots by Metropolitan Vancouver municipalities. The number of applications for subdivision of raw land in terms of building lots are identified in a few municipalities, however the actual performance of the municipalities in terms of the number of lots initially processed versus the lots actually approved for each year between 1970 and 1973 are not sufficiently documented.

A second limitation is that there are many constraints which operate within and external to the subdivision approval procedure that are not researched in this dissertation. A very significant external constraint is the planning and financial organization of the municipality, particularly the impact of municipal finance problems or municipal organizational problems upon the operation of the municipal subdivision approval process. Other constraints that are not researched are the significance of provincial authority approval procedures and the significance of public hearings, with reference to the operation of approval procedures in Metropolitan Vancouver.
municipalities.

Procedure in Development of Thesis

Chapter II introduces a theoretical market analysis of supply and demand providing a framework for examination of empirical findings related to the supply and demand for housing units in Metropolitan Vancouver.

In Chapter III the demand and supply for dwelling units in Metropolitan Vancouver are analyzed separately in terms of demand and supply of single family dwellings. Population and income figures are used to establish a level of demand. Supply is determined according to existing stock figures based on census data and dwelling unit starts for all categories of dwelling units in Metropolitan Vancouver between 1967 and 1973 as compiled by Central Mortgage and Housing Corporation. Single family dwelling unit starts are assumed indicative of a majority of the supply of serviced residential building lots. This information is related to the historical trend of average house prices in Metropolitan Vancouver between 1967 and 1973 to determine the present market conditions of supply and demand.

Chapter IV relates the supply of housing to a static and dynamic analysis in order to determine the relevant factors that may be attributed to reducing the supply production process. Three critical areas are identified in the dynamic process of supply.

1) The assembly of raw land
2) The municipal approval process
3) The construction process with regard to the servicing of dwelling sites.

The municipal approval process is selected for intensive analysis.
Chapter V involves the analysis of the time required for subdivision approval* in Metropolitan Vancouver municipalities. Four municipalities were selected as a representative sample. Data was collected by interviewing developers and consulting engineers who were involved with the production of a majority of the serviced lots in each municipality, municipal planners and municipal engineers. Interviews were based on a format of questions related to deriving information regarding the time required for approval of a major subdivision in 1970, 1971, 1972, and 1973 and the number of approvals granted each year by the particular municipality relative to the number of applications. These figures were also related to the number of serviced lots produced by major subdivisions in each municipality. In some municipalities the relevant data was not available. It was necessary to identify the major developments in these municipalities and analyze them individually. It was only possible to assemble significant evidence regarding the time required for subdivision approval and not the level of productivity of each municipality regarding the actual number of building lots produced relative to applications made. It was possible to conclude that in certain municipalities the time required for approval had increased between 1971 and 1973 and that Land Use Contracts could be identified as a contributing factor.

*Subdivision Approval refers to the approval of subdivision of raw land into serviced building lots by an approving officer. This interpretation will be used throughout the dissertation.

**A major subdivision is one which necessitates construction of new roads or services to or beyond any of the lots being created.
In Chapter VI the actual process of approval for each municipality was prepared for subdivisions which do not require a zoning change, those which require a zoning change and those which required Land Use Contracts. The preparation of these procedures was based on interviews with municipal planners, municipal engineers, private developers and consulting engineers. A standard procedure which included all of the components of the individual municipal procedures was prepared for each of the three types of subdivision approval. Constraints in each procedure were indicated and recommendations for solutions were made.

Chapter VII identifies the municipal problem regarding the operation of subdivision approval procedures and indicates certain responsibilities of the provincial government.

Chapter VIII lists general conclusions summarizing the findings related to the hypotheses and indicates topics for future study.
CHAPTER II

SUPPLY AND DEMAND FOR HOUSING
THEORETICAL ANALYSIS

Analysis of the supply of residential dwelling units must begin with an analysis of the supply and demand for the housing stock as a whole. In contradistinction to many other consumer goods, consumers of housing can choose between buying existing dwelling units which are up for resale, renting dwelling units, or buying a new unit.

At any given time, the whole of the existing housing stock is latently up for sale or rent as well as the totality of new additions to the housing stock. If price levels differ between the two categories of housing, sufficient holders of existing stock will be induced into the market to buy new homes and sell their old homes so as to equalize prices. If the price difference is in the other direction a sufficient number of new home buyers will be induced to pass up new homes in favour of older ones, until, once again the price levels are approaching equalization.

At any one time, the existing housing stock makes up the greatest bulk of the housing market. Increments to the housing stock normally range from two to four per cent per annum. Therefore, potential sellers of existing housing make up ninety six to ninety eight per cent of the potential market at any one time.* New housing

*It may be argued that only a small percentage of the existing stock may be up for sale at any one given time. This does not take into account that if there were major price differences, more existing housing would come onto the market.
makes up only two to four per cent. The number of actual and potential sellers is considerable. In most cases, individual families own existing housing. Each family sells its own unit at the price it can obtain without reference to any price fixing agreements between sellers. Edmund Price points out that there are approximately 650 builders in the Greater Vancouver area. Each builder acts as an independent agent in selling his product. Richard Moore interviewed sixty three developers supplying either residential building sites and/or residential dwellings to the regional market. In terms of the economists' definition of pure competition, it appears that the market for the housing stock, as a whole, approaches pure competition if residential dwellings can be considered as living space purely and simply.

The housing stock and the interactions of supply and demand for the housing stock can be diagrammed roughly as indicated below.

\[
\begin{align*}
\text{Occupants of existing stock} + \text{Net immigration/ emigration} \times \text{Number of participants who can finance purchase of rental or residential dwelling units} \\
&+ \text{net household formation} = \text{index number}
\end{align*}
\]

\[
\begin{align*}
\text{Existing housing stock} + \text{Net additions to housing stock (2\% to 4\%)}
\end{align*}
\]

If the index number is 1 - residential unit prices will stabilize. If

---

* "Perfect competition is defined by the economist as a technical term: 'perfect competition' exists only in the case where no farmer, businessman or laborer is a big enough part of the total market to have any personal influence on market price." 

** The point should be made, however, that dwelling units are not normally considered as purely and simply living space. Each dwelling unit has a certain location with links to or proximity to places of employment, shopping, schools, recreation facilities and desirable neighborhoods. Such specific locations differentiate to some degree the residential dwelling unit market.
the index number is greater than 1 prices rise until either

i) net immigration/emigration balance changes,

ii) rate of net household formation declines - usually through doubling up of households,

iii) number of participants able to finance entry into the market declines either through the escalation of the rental price index or the escalation of the prices of homes (new and existing),

iv) sufficient number of new housing units (rental or sale) enter market through increased pace of construction,

v) any combination of the above either decreases demand or increases supply.

If the index number is less than 1, then price levels will fall until such time as some combination of the above outlined factors either increases demand or reduces supply.

Filtering occurs throughout the housing stock. Owners of existing housing sell their homes and buy new or used housing or move to rental accommodation. Occupiers of rental accommodation buy new or existing homes. Filtering patterns normally, although not always, follow the relative ability of the individual participants to finance the acquisition of a dwelling unit. As total net disposable income allocated to housing of the individual participant(s) increases relative to other participant(s) the participant will normally upgrade his housing accommodation. It should be noted however that as individual incomes increase a smaller proportion of income is spent on housing. The income elasticity for demand has been measured as high as 1.5 to 2 by Reid (1958) however there is more conclusive evidence to suggest that income elasticity is closer to a range of .5 to 1. Oksanen (1966) has found that housing stock elasticities for income range from .3 to .5 and flow elasticities are below 1. Uhler (1968) also supports this analysis as he has found income elasticities range
between .34 and .57. Lee (1964) supports these findings concluding that income elasticity is less than unity hence the proportion of income spent on housing falls as income rises.

The willingness and/or ability of participants to "filter" up or down through the accommodation spectrum is often influenced by aspirations and needs, such as, size of family and need for space; family and neighborhood associations and ties; psychological importance of status to the individual; expectations as to future income levels; pursuit of life styles which lead to allocating funds to other consumer goods and activities. One important determinant of the individual's willingness to participate in this filtering process is his expectations as to future housing prices. If the participant is convinced that the price of housing will continue to escalate, he will likely use any means at his disposal to purchase a residential dwelling unit "now" rather than wait. The net effect of this phenomenon is the transfer of future demand to the present.

**Summary of Supply and Demand**

The overview of the supply and demand for housing stock given in the previous sections, while lacking in some details and in refinement, does present a working model of the factors that are instrumental to analysis. These factors are depicted in Figure 1.

In Figure 1, current supply is depicted by \( S_1S_2 \) and current demand by \( D_1D_1 \). At one point in time, the prevailing price would be \( P_1 \). If there is a small increase in the supply to \( S_2S_2 \) that is quite small relative to the number of existing units in stock, and no change in demand, prices would fall to \( P_2 \), a small decrease. If, on the other hand, demand increased to \( D_2D_2 \) while supply increases to \( S_2S_2 \),
Figure 1

Interactions of Supply and Demand for Housing

prices will rise to $P_3^9$.

As there are physical limits to increases in supply as well as limits to the number of residential dwelling sites the planning process will approve, the increases in supply for Canadian urban centres has been less than the increases in demand. If this, as Dr. Hamilton points out,\(^{10}\) has been the case, it would account for a major portion of the price rises in Canadian housing in the past decade.

"The problems of supply of housing and building lots, as serious as they may be, are not as critical as the changes in demand. Growing population, rapidly rising incomes, demand for better housing, and increased concentration in a few urban areas are creating insatiable demand for housing and land. Over the past ten years, incomes and disposable incomes have risen more rapidly than housing expenditures, and the concentration of population into urban areas has continued. In addition, important new incentives, in the form of special income tax status for principal residences, has bolstered the already extensive demands for housing, especially ownership. Similarly, improved mortgage terms and provincial financing for second mortgages have all contributed to the increased demands."\(^{11}\)

**Effect of Surplus Demand on Land Pricing**

Given that an excess of demand vis-a-vis supply for the housing stock as a whole will raise price levels for the new housing stock, coming on stream, dramatic changes will occur in the prices paid for serviced dwelling sites through the action of leverage. Even more dramatic price changes will take place for raw land due to the effect of compounded leverage.

Table 1 sets out some assumptions about the average price levels of existing housing as these price changes occur through time.

The builder will take his pricing clue from the average price of comparable houses in comparable locations to the one he is going to build. Instinctively, he knows that he cannot influence the
Table 1. Existing Dwelling Stock Price Rises Through Time.

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Percentage Change Year 1 to 2</th>
<th>Percentage Change Year 2 to 3</th>
<th>Percentage change Year 1 to 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Price Level of Existing Comparable Houses in Comparable Locations</td>
<td>$26,000</td>
<td>$30,000</td>
<td>$38,000</td>
<td>+15%</td>
<td>+27%</td>
</tr>
</tbody>
</table>

The overall price of housing for the aggregate increment to housing stock in any one year is only two to four per cent of the total existing stock. He knows that if his price level is too high, the buyer will prefer existing housing and his unit will not sell. He also knows that if his price level is too low, a crafty speculator will sell existing housing to buy the builder's product at an immediate 'profit' to the speculator. The builder also instinctively knows that buyers will, on average, pay a premium for new housing due to such influence as improved design, lower maintenance and repair costs, better financing terms and the increased status of owning a new home.

The effect of the builder's pricing of his house for sale on the maximum prices that he will pay for serviced residential dwelling sites is demonstrated in Table 2. Clearly, if he receives more for his house from year to year, he can afford to pay more for the lot. The actual price he pays will be the end price for his house, less the costs of construction and profit. If house prices rise more on a percentage basis than construction costs rise on a
percentage basis, then positive leverage will result. For instance, as Table 2 demonstrates, if house prices rise by 27% while building costs go up by 20%, lot prices will escalate by 41%.

Negative leverage is also a distinct possibility. Assume that house prices remained constant at $30,000 while construction costs rose by 20%, from $20,000 to $23,000, lot prices would drop from $9,200 to $7,000 - a 23% decrease.

Table 2: Effect of Leverage on Residential Dwelling Site Prices.

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Percentage change Year 1 to 2</th>
<th>Percentage change Year 2 to 3</th>
<th>Percentage change Year 1 to 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price of home built by builder</td>
<td>$30,000</td>
<td>$34,500</td>
<td>$43,800</td>
<td>+15%</td>
<td>+27%</td>
</tr>
<tr>
<td>Building costs &amp; Profit</td>
<td>$20,800</td>
<td>$23,000</td>
<td>$27,600</td>
<td>+10%</td>
<td>+20%</td>
</tr>
<tr>
<td>Maximum Residential Dwelling Site Price</td>
<td>$9,200</td>
<td>$11,500</td>
<td>$16,200</td>
<td>+25%</td>
<td>+41%</td>
</tr>
</tbody>
</table>

The developer, public or private, is part of the pricing process. The builder takes his pricing clue from the price level for existing comparable housing. The developer takes his pricing clue from the maximum residential dwelling site price level.

The price that the developer pays for raw land is leveraged in the same way as the price that builders pay for serviced dwelling sites. If the price paid for a serviced site increases more on a
percentage basis than the servicing costs the effect will be upward leveraging on the price paid for raw land. If the servicing costs escalate more rapidly than the percentage price increase for serviced sites, the effect will be downward leveraging on the prices paid for raw land.

Table 3. Effect of Leverage on Raw Land Prices.

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Percentage change Year 1 to 2</th>
<th>Percentage change Year 2 to 3</th>
<th>Percentage change year 1 to 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price paid by builder for serviced building site</td>
<td>$9,200</td>
<td>11,500</td>
<td>16,200</td>
<td>+25%</td>
<td>+41%</td>
</tr>
<tr>
<td>Servicing costs + municipal imposts + profits</td>
<td>5,200</td>
<td>6,300</td>
<td>9,100</td>
<td>+21%</td>
<td>+45%</td>
</tr>
<tr>
<td>Maximum raw land price per site</td>
<td>4,000</td>
<td>5,200</td>
<td>7,100</td>
<td>+30%</td>
<td>+37%</td>
</tr>
</tbody>
</table>

Note that Table 3 also demonstrates negative leverage in the transition in raw land prices from year 2 to year 3. Servicing costs in the hypothetical example have risen from $6,300 in year 2 to $9,100 in year 3. In the same year, the price paid by the builder for serviced building sites increased by a lesser percentage of 41% from $11,500 to $16,200. The effect on the maximum raw land price per site is negative leverage. The price paid for a raw lot increased only 37% from $5,200 to $7,100 while the price paid for a serviced
lot increased by 41%. Consider the implications for the price paid for raw lots if the price paid by the builder had only risen by a much lower percentage. Table 4 points out negative leverage.

Table 4. Negative Leverage.

<table>
<thead>
<tr>
<th></th>
<th>Year 2</th>
<th>Year 3</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price paid by builder for serviced building site</td>
<td>$11,500</td>
<td>13,225</td>
<td>+ 15%</td>
</tr>
<tr>
<td>Servicing costs + municipal imposts + profits</td>
<td>6,300</td>
<td>9,100</td>
<td>+ 45%</td>
</tr>
<tr>
<td>Maximum raw land price per site</td>
<td>5,200</td>
<td>4,125</td>
<td>- 21%</td>
</tr>
</tbody>
</table>

Effect of Surplus Demand on the Supply of Housing Units to the Market

If the price of existing housing stock is climbing at an unusually rapid rate, the builder will develop 'expectations' as to the price that he may be able to obtain for his product if he waits. If the expected increment in price is considerably more than his holding costs for the finished house, he will tend to withhold supply from the market. He withholds supply in a very simple fashion. He simply prices the house at what he expects future price levels to be, thereby transferring present supply at present market prices into future supply at expected future market prices.

The builder will not often withhold supply for any considerable period of time. Firstly, the holding costs are too onerous. In effect, the builder has to finance the entire cost of the lot plus
the cost of construction of the house at current interest rates. Secondly, the builder needs his capital to buy another lot and start the construction process over again. Price (1972) pointed out that builders are characteristically under capitalized. Thirdly, the builder is always concerned about temporary setbacks in the market even though the general direction is upwards. The builder knows that temporary setbacks in price add to his carrying costs in reducing the profit level that he will receive from the eventual sale of the house. Fourthly, the builder is usually aware that he will earn a higher return on his capital invested if he is to sell the house and reinvest the proceeds in purchasing more serviced lots, particularly if he perceives the leverage action on the price of serviced lots to be positive in direction.

In summary, it is not to be expected that the builder will withhold his product from the market for long periods of time but he will tend to withhold if the short term price levels are increasing dramatically. On the other hand, the builder will tend to accelerate the supplying of houses to the market if he perceives short time weakness in pricing for existing housing stock. The builder knows that his carrying costs are too heavy.

The developer will also tend to withhold supply of serviced lots from the market if he perceives that the short term price rises for existing stock are effecting positive leverage on the price structure for serviced dwelling sites. Normally, the developer will not withhold lots from the market for long as he is faced with the same problems as the builder. Carrying costs are too high and capital is required for the purchase of raw land. The developer will only tend to withhold if the short term price rises are dramatic.
The holder of raw land also has expectations as to the future price levels for raw land. These expectations will be particularly fueled when the effect of compounded leverage is working positively both on the price of serviced lots and also on raw land prices. The landholder in these periods 'knows' that his land will double in value next year. The landowner is quite reluctant to sell. Furthermore, the landholder is in an excellent position to wait for further abnormal price increases. The landowner knows that his carrying costs are very low, particularly in relationship to the amounts that he expects to receive from further windfall gains.

The landholder tends to withhold raw land from the market in periods of abnormal price increases. Such withholding makes the assembly of raw land more difficult and more time consuming. Delays in land assembly reduce the quantity of raw land which may be feed into the supply process for eventual conversion into dwelling units. Collectively, landowners are working in their own best interest by withholding land from the market.
Footnotes


10 Ibid., p. 9.

11 Ibid., p. 9.

Chapter II dealt with the supply and demand for housing in theoretical terms. Analysis of the GVRD housing market verifies the contention that the demand for residential dwelling units in this region exceeds the supply.

Demand for housing may be measured as a function of population and income. "Growing populations, rapidly rising incomes, demand for better housing and increased concentrations in a few large urban areas are creating insatiable demands for housing and land." In the Greater Vancouver Regional District the prices of housing, particularly single family dwellings, have been increasing rapidly (Refer to column 5, Table 1). It may be argued that the price of housing is reaching a point where the typical consumer of housing cannot purchase the same house he bought two years ago in today's market, as the increases in costs of housing have exceeded the increase in his gross income required to satisfy the conventional qualifications for mortgage financing. The following analysis supports this conclusion. However, this may not be interpreted as an indication that the demand for housing should decrease. A brief analysis of the basic economics of the housing market and the function of population growth as a cause of demand will clarify the argument that there is a strong demand in the housing market in the G.V.R.D.
Demand for Housing as a Function of Income

The industrial workers of British Columbia composed 42% of the total labour force of 1,000,045 in July 1971.2 Table 5 indicates the gross monthly income of the average industrial worker between 1963 and 1973 and relates these figures to the average prices of existing and new homes in the Greater Vancouver Regional District and the dollar increase in the prices of these homes between 1963 and 1973. These figures are related to the increase in the amount of the monthly payments required to amortize a mortgage at the average annual interest rate over a period of twenty-five years with a 5% and 25% down payment. Column 9 indicates that if the average worker purchased the average priced home in the GVRD in 1973 with a 25% down payment his monthly principal and interest payments would be $56.84 higher than they would have been for a home in 1972 and this increase is $21.84 greater than the increase in his gross monthly income for the same period. Prior to 1973 the monthly increases in gross income have been greater than the increase in monthly interest and principal payments required to finance the purchase of a new home even in the case where there was a 5% down payment. If an industrial worker in B.C. purchased an average priced home in the GVRD in 1971 for $26,471 (column 5, Table 5) with a down payment of $6,617 (25%) the monthly mortgage payments at the prevailing rate of 10% in 1971 on a debt of $19,853 would be $177.59 of principal and interest amortized over 25 years. The maximum debt permitted with a 30% debt service ratio would have been $198.24 (column 4, Table 5). The debt service is below the required income.

If one considers the purchase of an average existing home in the Greater Vancouver Regional District in 1973 according to the
Table 5
The Price of Homes in Metropolitan Vancouver Relative to Average Incomes of Industrial Workers in B.C. 1963-1973

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly Gross income of average worker in B.C.</th>
<th>Dollar change in income</th>
<th>Maximum amount of mortgage debt based on 30% debt service ratio in Metro Vancouver</th>
<th>Average monthly price of single family housing</th>
<th>Dollar change in average price of housing</th>
<th>The annual increase in mortgage payments of principal and interest with a 25% down payment</th>
<th>The annual increase in mortgage payments of principal and interest with a 5% down payment</th>
<th>The monthly increase in mortgage payments of principal and interest with a 5% down payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>$390.43</td>
<td>-</td>
<td>$117.13</td>
<td>$12,637</td>
<td>-</td>
<td>7%</td>
<td>$2.99</td>
<td>$537</td>
</tr>
<tr>
<td>1964</td>
<td>407.81</td>
<td>$17.38</td>
<td>$122.34</td>
<td>13,203</td>
<td>$566</td>
<td>7%</td>
<td>511</td>
<td>723</td>
</tr>
<tr>
<td>1965</td>
<td>436.41</td>
<td>29.60</td>
<td>130.92</td>
<td>13,965</td>
<td>762</td>
<td>6 7/8</td>
<td>1001</td>
<td>1917</td>
</tr>
<tr>
<td>1966</td>
<td>465.69</td>
<td>29.08</td>
<td>139.65</td>
<td>15,200</td>
<td>1335</td>
<td>7 3/8</td>
<td>1917</td>
<td>16.81</td>
</tr>
<tr>
<td>1967</td>
<td>496.17</td>
<td>30.66</td>
<td>148.85</td>
<td>17,836</td>
<td>2636</td>
<td>7 7/8</td>
<td>2069</td>
<td>21.11</td>
</tr>
<tr>
<td>1968</td>
<td>523.29</td>
<td>27.12</td>
<td>156.99</td>
<td>20,595</td>
<td>2759</td>
<td>8 7/8</td>
<td>2508</td>
<td>21.11</td>
</tr>
<tr>
<td>1969</td>
<td>560.52</td>
<td>32.23</td>
<td>168.16</td>
<td>23,939</td>
<td>3346</td>
<td>9 1/4</td>
<td>2508</td>
<td>21.11</td>
</tr>
<tr>
<td>1970</td>
<td>597.87</td>
<td>33.35</td>
<td>179.36</td>
<td>24,239</td>
<td>1300</td>
<td>10 3/8</td>
<td>915</td>
<td>915</td>
</tr>
<tr>
<td>1971</td>
<td>660.83</td>
<td>62.96</td>
<td>198.24</td>
<td>26,471</td>
<td>2232</td>
<td>10</td>
<td>1614</td>
<td>1432</td>
</tr>
<tr>
<td>1972</td>
<td>713.72</td>
<td>53.09</td>
<td>214.18</td>
<td>29,714</td>
<td>3243</td>
<td>9 1/8</td>
<td>1432</td>
<td>20.08</td>
</tr>
<tr>
<td>1973</td>
<td>748.92</td>
<td>35.00</td>
<td>224.68</td>
<td>38,561</td>
<td>6647</td>
<td>9 1/2</td>
<td>6635</td>
<td>56.84</td>
</tr>
</tbody>
</table>

Source: 
(5) Based on the average prices of single family dwellings in the GVRD derived from Real Estate Trends in Metropolitan Vancouver. Published by the Statistical Survey committee of the Greater Vancouver Real Estate Board Association 1963 to 1973.
(8) The annual increase in the required loan to purchase a home in Metropolitan Vancouver with a 25% down payment.
(9) The monthly increase in mortgage payments of principal and interest amortized over 25 years with a down payment of 25%.
(10) The annual increase in the required mortgage loan to purchase a home in Metropolitan Vancouver with a 5% down payment.
(11) The monthly increase in the mortgage payments of principal and interest amortized over 25 years with a down payment of 5%.
criterion used in Table 5 with a 25% down payment of $9,640 the monthly payments of principal and interest on the remainder of $28,920 would be approximately $241.30. Referring back to Table 5, column 4, if the average worker wished to obtain a mortgage from a conventional lender who used a 30% debt service ratio, the monthly payments greatly exceed those permitted, $224.68. This very elementary analysis excludes the monthly calculation of property tax which would be added to the principal and interest payments when calculating the minimum required 30% of gross income to satisfy the debt. However, it is obvious that the average industrial worker is not capable of purchasing the average priced home in the Greater Vancouver Regional District.

One may argue that the purchaser may turn to alternative sources of finance which do not consider the debt service ratio as a major factor in determining the amount of the mortgage that could be granted. Credit Unions will presently lend at 75% of the market value of a home charging a slightly higher interest rate permitting a slightly higher debt to service ratio. In 1973 the cost of an average priced home in the GVRD increased by $8,847. A 25% down payment requires $2,211 cash in addition to the amount required for a home in 1972. The average industrial worker would have to generate an additional $2,211 in savings or would have to save approximately 24% of his gross income for 1973. It should be noted that the preceding analysis merely gives an indication of the relationship between the incomes of a large portion of the labour force and their capacity to finance homes purchased in 1973. There are many important variables that have not been considered. A most important conclusion is that even if this argument is accepted, there is still a strong demand
for housing which will keep prices high.

An economic analysis of the housing market requires recognition of a very important economic condition that puts the housing market in a unique analytical situation. Additions to the supply of housing account for a very small portion of the total supply. The total stock of single family dwellings in the GVRD is estimated to be 215,445 for the year of 1971.\(^3\) The addition to the housing stock in 1971 in the form of single family dwellings was approximately 5,674 or approximately 2% of the net stock. Approximately 6,726 units were added in 1972 and 5,525 in 1973, yielding a stock of 227,698 single family dwellings.\(^4\) When considering housing demand, this aspect of the market is critical.

Since there are so few housing units created in relation to the total housing stock, the amount of demand required to absorb the additions to the stock are not that great. The average industrial worker who purchased a home in the GVRD at the average price of $26,471 according to Table 5, with a mortgage of $20,000 can sell his house for $38,561 in 1973. After paying his mortgage off, he has approximately $18,000 cash which he would use as a down payment towards the purchase of another home. It is quite possible that he may have saved funds to buy a more expensive home and that he could service the debt given his increased equity position. Combining the activities of home owners who have realized a tremendous equity gain and those who are entering the market today, the process of filtering takes place and the additions to the stock of housing are quickly absorbed.
Demand for Housing as a Function of Population

Since the additions to the housing are not that great the demand for housing does not require a significant number of purchasers to give it strength. A demographic analysis will reveal that increases in population and prospective home buyers in the GVRD has created a sufficient demand in the housing market to keep prices high.

Analysis of birthrates, mortality rates and migration rates indicates a steady population growth in the GVRD between 1966 and 1971 and produces a basis for forecasting significant increases in population in the future. A brief consideration of each component of growth provides a good indication of the impact this growth will have on the housing demand.

Statistics Canada indicate that the fertility rate which is taken to be the number of children born to a female during her entire reproductive life span is levelling off. In relation to Figure 2 the following comments may be made regarding fertility rates according to Statistics Canada.

Figure 2

Fertility Rates

- There exists a marked decline in total fertility from 3.9 to approximately 2.4 in the 1960's but an achieved levelling out around 1969.

- Considering the projected ranges to 1984, the most practical rate is the medium and will be used as no evidence is available to the contrary.

- The arrival of a third child does not generally alter a family's need for family housing as does the arrival of the first and second child; therefore, the projections to 1984 have little effect; the move from an apartment to a single family or a row dwelling is usually initiated by the first or second child.

- If a high fertility rate prevails say to 2.8, then there will be significant population effects but in terms of the household these will not be affected until the late 1980's.

A review of an analysis by the Greater Vancouver Regional District on population growth confirms these conclusions by basing its forecast on the fact that the number of births in the GVRD was 10% lower than the expected number of births using the known rates for all of B.C.\(^5\) Thus, the trend of population growth in this area should be reduced.

Death rates according to Statistics Canada approximate 7.4 people per 1000 of population. The GVRD analysis has found this rate to be fairly constant.

Migration rates are the most important in an analysis of the GVRD.

Migration rates are most important in a population analysis of the GVRD. Approximately 76.5% of the population increase between 1966 and 1971 is accounted for by migration.\(^6\) 66% of the total number of
migrants (103,592) were between the ages of 20 and 29 and 28% were between the age of 30 and 39. If one assumes a migration of approximately 20,000 per year and that approximately 60% of these are in the age bracket of 20 to 28 this aspect of population growth should have an effect on demand for housing. It is not known what percentage of these people would qualify for financing of the homes in the present market, however, since this age group is one with the highest fertility rate. One could argue that these people would affect the demand for single family dwellings. It is important to note that they may purchase homes at various price levels in the housing market absorbing the homes vacated by those moving into more or less expensive homes.

The forecast for future growth in the GVRD indicates that population should increase by 141,678 from 1,028,345 in 1971 to 1,169,923 in 1976. The population increase forecast for those aged between 20 and 29 should be approximately 7,347 per annum of 25.8% of the average total population increase of 28,335. The age group between 30 and 39 will have a population increase of approximately 6,202 per annum which is 21% of the total population increase per annum.

The population statistics confirm the fact that there is a significant expected growth rate in population particularly in the age bracket most likely to enter the housing market. The entire demand analysis of this chapter has concentrated on single family dwellings in order to interpret the demand situation of this particular sector of the market. There is sufficient information available to suggest that the demand for dwelling units as a whole is very strong and will maintain its high level in the future. A review of statistics provided by Central Mortgage and Housing Corporation and the Economics and Statistics Division of Canada confirm this fact.
Table 6 relates household formation to the total number of dwelling starts between 1961 and 1976.

Table 6. Household Formation and Dwelling Unit Starts in Metropolitan Vancouver 1961 - 1976.

<table>
<thead>
<tr>
<th></th>
<th>Household Formation</th>
<th>Dwelling Unit Starts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Family</td>
<td>Non Family</td>
</tr>
<tr>
<td>1961 - 1966</td>
<td>23,900</td>
<td>19,700</td>
</tr>
<tr>
<td>1966 - 1971</td>
<td>42,100</td>
<td>22,400</td>
</tr>
<tr>
<td>1971 - 1976</td>
<td>55,400</td>
<td>35,600</td>
</tr>
</tbody>
</table>


The Supply of Housing in Metropolitan Vancouver

Household formations averaged 8,720 annually for the first half of the 1960's. Housing starts were 9,278 annually. Between 1966 and 1971 the annual average of dwelling units was 13,970. The average number of household formations were 12,900 for the same period. The estimated household formation based on census data between 1971 and 1976 is approximately 18,200 per year. Approximately 20,000 dwelling units per year will be required to meet the estimated rate of housing formation. Since 1971 dwelling unit starts have been falling short of the projected demand. In 1971 there were 15,553 starts, in 1972 there were 14,126 and in 1973 there were 14,953 (reference to Tables 7, 8, and 9 provide a detailed breakdown of starts). This figure is 4,703 units short of the projected dwelling unit starts of 1971-1976 per annum required to satisfy housing formation. Thus given the projected population growth and housing formation and the total production of dwelling
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Single detached</td>
<td>5,980</td>
<td>5,146</td>
<td>4,763</td>
<td>4,482</td>
<td>5,283</td>
<td>25,654</td>
<td>5,625</td>
<td>7,300</td>
<td>6,726</td>
</tr>
<tr>
<td>Semi Detached and Duplex</td>
<td>348</td>
<td>512</td>
<td>402</td>
<td>350</td>
<td>391</td>
<td>2,003</td>
<td>368</td>
<td>368</td>
<td>362</td>
</tr>
<tr>
<td></td>
<td>6,328</td>
<td>5,658</td>
<td>5,165</td>
<td>4,832</td>
<td>5,674</td>
<td>A1. 27,657</td>
<td>5,993</td>
<td>7,668</td>
<td>7,088</td>
</tr>
<tr>
<td>Row</td>
<td>208</td>
<td>311</td>
<td>580</td>
<td>839</td>
<td>1,057</td>
<td>2,995</td>
<td>1,635</td>
<td>945</td>
<td></td>
</tr>
<tr>
<td>Apartments</td>
<td>7,085</td>
<td>9,721</td>
<td>11,945</td>
<td>7,762</td>
<td>8,822</td>
<td>.45,335</td>
<td>6,896</td>
<td>6,920</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7,293</td>
<td>10,032</td>
<td>12,525</td>
<td>8,601</td>
<td>9,879</td>
<td>A2.48,330</td>
<td>8,103</td>
<td>8,531</td>
<td>7,865</td>
</tr>
<tr>
<td>Total Annual Starts</td>
<td>13,621</td>
<td>15,690</td>
<td>17,690</td>
<td>13,433</td>
<td>15,553</td>
<td>75,987</td>
<td>14,096</td>
<td>16,199</td>
<td>14,953</td>
</tr>
</tbody>
</table>

*Includes Langley, Maple Ridge and Pitt Meadows

Source: CMHC
Table 8. Residential Building Activity - Single Family Dwelling Starts* in Metropolitan Vancouver 1967 - 1973

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>595</td>
<td>528</td>
<td>393</td>
<td>405</td>
<td>595</td>
<td>2,516</td>
<td>601</td>
<td>699</td>
</tr>
<tr>
<td>Burnaby</td>
<td>523</td>
<td>558</td>
<td>498</td>
<td>330</td>
<td>596</td>
<td>2,505</td>
<td>496</td>
<td>544</td>
</tr>
<tr>
<td>New Westminster</td>
<td>42</td>
<td>15</td>
<td>6</td>
<td>8</td>
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<td>63</td>
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<td>Maple Ridge</td>
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<td>Pitt Meadows</td>
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</table>

*Includes duplexes

Source: CMHC
Table 9. Residential Building Activity - Multiple Dwelling Starts * Metropolitan Vancouver 1967 - 1973

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
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<td>2,124</td>
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<td>673</td>
<td>344</td>
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<td>884</td>
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<td>516</td>
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<td>140</td>
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<td>986</td>
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<td>64</td>
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<td>134</td>
<td>370</td>
<td>75</td>
<td>839</td>
<td>-</td>
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<td></td>
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<tr>
<td>Surrey</td>
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<td>469</td>
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<td>3,029</td>
<td>1,420</td>
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<td>2,859</td>
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<td>7,808</td>
<td>7,865</td>
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</table>

| Miscellaneous        |      |      |      |      |      |       |      |      |
| Langley - City       | 295  | -    |      |      |      |       |      |      |
| Langley - Municipality| 354  | 264  |      |      |      |       |      |      |
| Lions Bay            | 8    | -    |      |      |      |       |      |      |
| Maple Ridge          | 66   | -    |      |      |      |       |      |      |
| Pitt Meadows         | -    | 106  |      |      |      |       |      |      |
|                      | 723  | 370  |      |      |      |       |      |      |

Source: CMHC
units the supply is falling behind the demand.

A brief analysis of the two major components of single family dwelling costs, the land and the cost of labour and materials, will put the case of the cause of increased costs of housing in perspective and will indicate areas of interest regarding policy to reduce housing costs. Tables 10 and 11 provide a list of prices of serviced lots and the costs of construction based on material and labour for the period of 1964-1973. These figures are assembled in Table 12 which provides a breakdown of the relationship between the cost of land and the cost of construction deriving an estimated cost of a home. Between 1964 and 1973 the percentage of total cost of a single family dwelling related to the cost of construction steadily declined from 71% in 1970 to 49% in 1973. The price of serviced land as a percent of the total cost of housing has increased from 29% in 1964 to 51% in 1973. The most significant increase in the cost of a home was between 1972 and 1973. The amount of the increase is $12,965. 71% of this increase is attributable to land while only 29% of this increase is attributable to the increased cost of labour and materials. It is most important that one note these figures have no relationship to the market value cost of a single family dwelling. These figures merely indicate an effect of the market and not a cause.

This confirms the theoretical analysis that the costs of land are a function of new house values which, in turn, are determined mainly, by the price of existing housing. Construction costs, either building costs or land costs, cannot materially affect the current general level of market prices. This logical conclusion is related to the fact that the housing stock is much larger than the increment to housing. Relating this important realization to the cost figures
determined in Table 12 the supply problem is put into a totally new perspective.

| Year | Cost/sq. ft. Material Annual Annual % Cost |
|------|------------------|------------------|--|------------------|------------------|------------------|
|      | std 1200 ft. bungalow | Labor cost | Dollar Change | Index |
| 1964 | 10.60 | 12,720 | - | 1% | 104.3 |
| 1966 | 11.67 | 14,004 | 1,284 | 7% | 113.2 |
| 1967 | 12.49 | 14,988 | 984 | 7% | 116.8 |
| 1968 | 13.55 | 16,260 | 1,227 | 8% | 128.1 |
| 1969 | 14.64 | 17,568 | 1,308 | 8% | 141.0 |
| 1970 | 14.37 | 17,224 | - 334 | -2% | 137.5 |
| 1971 | 14.45 | 17,340 | 116 | 1% | 138.2 |
| 1972 | 16.02 | 19,224 | 1,884 | 11% | 153.3 |
| 1973 | 19.22 | 23,064 | 3,840 | 20% | 183.0 |

<table>
<thead>
<tr>
<th>Year</th>
<th>Price of Serviced Lot</th>
<th>Annual Dollar Change</th>
<th>Annual % Change</th>
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<tbody>
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<td>1964</td>
<td>5,061</td>
<td>+ 411</td>
<td>-8%</td>
</tr>
<tr>
<td>1966</td>
<td>5,810</td>
<td>749</td>
<td>14%</td>
</tr>
<tr>
<td>1967</td>
<td>7,710</td>
<td>1,900</td>
<td>32%</td>
</tr>
<tr>
<td>1968</td>
<td>9,600</td>
<td>1,890</td>
<td>24%</td>
</tr>
<tr>
<td>1969</td>
<td>11,500</td>
<td>1,900</td>
<td>19%</td>
</tr>
<tr>
<td>1970</td>
<td>11,520</td>
<td>20</td>
<td>0%</td>
</tr>
<tr>
<td>1971</td>
<td>13,200</td>
<td>1,680</td>
<td>14%</td>
</tr>
<tr>
<td>1972</td>
<td>14,708</td>
<td>1,508</td>
<td>11%</td>
</tr>
<tr>
<td>1973</td>
<td>23,833</td>
<td>9,125</td>
<td>62%</td>
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Source: Determined from Table IX "The Housing Issue" prepared by the Planning Department of the GVRD 1973.
<table>
<thead>
<tr>
<th>Year</th>
<th>Total Cost serviced land &amp; mat.</th>
<th>Material &amp; Labour as a % of Total Cost</th>
<th>Land as a % of Total Cost</th>
<th>Annual Percent change in total cost</th>
<th>Annual Dollar Change</th>
<th>Change due to mat. &amp; labor cost</th>
<th>Change due to land cost</th>
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<tr>
<td>1964</td>
<td>17,760</td>
<td>71%</td>
<td>29%</td>
<td>66%</td>
<td>29%</td>
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<td>1966</td>
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<td>70%</td>
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<td>1355.64</td>
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<td>1967</td>
<td>22,698</td>
<td>66%</td>
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<td>14%</td>
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<td>980.56</td>
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<td>25,860</td>
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<td>38%</td>
<td>13%</td>
<td>3,162</td>
<td>1264.80</td>
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<td>1969</td>
<td>29,068</td>
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<td>40%</td>
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<td>3,208</td>
<td>1283.20</td>
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<td>1970</td>
<td>28,744</td>
<td>59%</td>
<td>41%</td>
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<td>-324</td>
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<td>-324</td>
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<td>1971</td>
<td>30,540</td>
<td>56%</td>
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<td>1,796</td>
<td>107.76</td>
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<td>1972</td>
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<td>56%</td>
<td>44%</td>
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<td>3,392</td>
<td>1865.60</td>
<td>45%</td>
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<td>1973</td>
<td>46,897</td>
<td>49%</td>
<td>51%</td>
<td>38%</td>
<td>12,965</td>
<td>3755.65</td>
<td>71%</td>
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</tbody>
</table>

Source: Tables 10 and 11.
Footnotes


3 The Greater Vancouver Regional District, The Housing Issue Vancouver: A Report by the Staff of the Greater Vancouver Regional District Planning Committee, p. 12.


CHAPTER IV

THE SUPPLY OF SERVICED RESIDENTIAL DWELLING SITES - AN EXAMINATION OF THE FACTORS DETERMINING QUANTITATIVE EXPECTATIONS OF INCREMENTS TO EXISTING HOUSING STOCK THROUGH THE DEVELOPMENT OF SERVICED RESIDENTIAL DWELLING SITES

Shortcomings of the supply of residential dwelling sites have been documented clearly. The increases in the size of the existing housing stock have not been sufficient to meet the demand expectations generated by net family formations and net migration into the region. It is instructive now to look at the supply side of the supply/demand equation in order to gain some insights into the ability of the suppliers (private developers and/or public agencies) to meet the demands for residential dwelling units within specified time horizons.*

Static Analysis of the Residential Dwelling Unit Supply Process

Viewed as a static program frozen at any given point in time, the potential supply of residential dwelling units in the region may be compared to mathematical sets (see Figure 3). These sets on limitations are peculiar to the region under consideration. Such limitations may or may not occur in other regions. Perhaps a striking

*These expectations do not take into account the limited expansion possible of the process of conversion of residential dwelling sites to actual residential dwellings. Even in an unlimited number of residential dwelling sites available, there is a finite capacity of the construction industry to build homes due to incipient shortage of materials, labor management and capital.
FIGURE 3

Diagram of Static Analysis of Residential Dwelling Unit Supply Process

Urban Designated Land Within Region

Land Which is Economically Feasible to Sewer

Designated Development Areas

Land which can be assembled by developer and/or public agencies
example of such differences would be Houston, Texas, where the non-use of zoning by-laws precludes the creation of development areas.

The major set is the supply of urban designated land within the region at any given time. This would be the acreage of land either zoned for urban residential usage or land which the municipal or provincial authorities will permit eventually to be rezoned into urban residential land. A specific example of the land within this major set would be the acreage designated as non-agricultural frozen land designated by the individual municipalities as sufficient for each municipality's urban needs for the five-year period from 1973 to 1978. These areas, as approved by the Land Commission administering the Act on behalf of the Province of British Columbia, sets the limits beyond which development cannot proceed within the five-year time horizon, unless leakages occur in the conversion of "frozen" farm land into urban land.

The largest subset would be that acreage of urban land which is sufficiently close to trunk sewers so as to permit development on an economically sound basis. Someone, either the private developers and/or the municipality concerned must underwrite the costs involved in providing lateral sewer links, water lines and roads to the land under consideration. Although considered a static supply for the sake of this analysis, the number of acres varies as a direct result of the relationship between lot prices, servicing costs and raw land costs. As lot prices rise, it may become more feasible to buy less expensive land further away from the existing infrastructure and to incur the higher costs of providing services to that land. Within this set, the supply of economically feasible land will vary with the price of lots which will, in turn, be a function of the relative
shortage of supply in the existing and incremental housing stocks in relationship to effective demand. Thus, within this set, the economic forces of the market could be at work: the supply of serviceable land will increase in relationship to the prices paid for the product, serviced land. This analysis does not take into account the externalities which may accompany this development of land further away from this existing infrastructure. Examples of such externalities would be the provision of schools, longer arterial roads and increased community services.

The set of land, which is economically feasible to service, is further limited through the creation of a further subset or subsets of land within the set of land which is economically feasible. Municipalities in the region designate "development areas" in which the municipalities will permit development to take place normally. These are circumscribed areas set out by the municipal planners in consultation with the municipal council. Furthermore such development areas may be given time horizon priorities by the municipality concerned. For example, a municipality will designate an area as Development Area 1 in which a certain level of infilling and development must be achieved before applications will be considered for Development Area 2. Such Development Areas usually, but not always, coincide with the municipality's scheme for providing the necessary infrastructure to that area - particularly sewage treatment facilities. The boundaries of these development areas may or may not be finite. In some instances, certain municipalities in the region may consider and approve applications for development from holders of parcels adjacent to or completely outside these development areas. Developers and/or landowners may be able to convince council that the advantages
to this municipality of tying the non-designated parcel under consideration to the infrastructure could outweigh the disadvantages to the municipality. The incidences of such leakage are reduced in the region, however, due to the splintering of land ownership patterns which make assembly of a sufficient large parcel to justify the additional off-site costs which would be incurred by the developer in tying the parcel outside the designated area into the existing infrastructure.

It is important to point out that the number of acres included within the subset of designated urban areas is not the sole determinant of the number of residential dwelling units which may be supplied from the land in this subset. The overall density of development permitted will affect the number of residential units that could be supplied. Such overall densities are the subject of an interaction between developers proposing projects and the municipality approving developments. Some municipalities will rely solely upon existing zoning changes through land use contracts. For instance, if only single family density were permitted by the municipality concerned, then the number of residential dwelling units potentially supplied would be considerably lower than if multiple family or mixed density were permitted.

<table>
<thead>
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<th>Supply of Land</th>
<th>Assumed Density Factor</th>
<th>Potential number of residential units</th>
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</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>1000 acres X 4/acres</td>
<td>= 4000 units</td>
</tr>
<tr>
<td>Mixed density</td>
<td>1000 acres X 8/acres</td>
<td>= 8000 units</td>
</tr>
<tr>
<td>Multiple family</td>
<td>1000 acres X 12/acres</td>
<td>= 12000 units</td>
</tr>
</tbody>
</table>
Given the set of acreage included within this designated development area(s) times the average overall expected density to be permitted in that area, consideration should be given to the limitations of the potential number of residential dwelling units to be supplied. Due to limitations of land assembly within the specified area there is a subset of land within the set of development area(s) which is the land which can be assembled by private developers and/or public agencies. This subset of assembled land may be as large as the developable areas, but in most instances it is much smaller. Parcels within an assembly area are often interrelated to some degree. Many parcels are "key" in that the road patterns, sanitary and storm sewers, sanitary sewer pumping stations, must be located on these parcels to efficiently service the area.

Frictions in the assembly process arise from a number of different factors. Instrumental amongst these factors would be:

1. Landowners' unwillingness to sell due to misplaced expectations that land may be eligible for a higher and better use than that designated. For instance, owners often feel that their land is suitable for multiple family use rather than single family. Such expectations often may have been generated from observations of "leakages" from one zoning category to another as promoted by developers and fostered by the approving municipality.

2. Landowner reluctance to sell out to their preference to continue enjoying the use to which the land is presently put in spite of the lure of monetary rewards. For instance, many smaller acreages are held by older people who want to "last out their days on the land". Many farmers wish to continue farming on the land presently under their control.
3. Presently, use of a particular parcel may be higher and better than the use to which the developer could bring to the surrounding parcels. For instance, a chicken farm on motel or, most commonly, an expensive or series of expensive homes may preclude assembly of an entire tract at an overall price permitting economic development. One particularly vexing problem in the Greater Vancouver and Lower Fraser Valley region is the predominance of expensive homes on one and two acre sites.

4. Landowners inflationary expectations have been fueled by the rapid price increases in the region. Reluctant to sell their land at all, landowners often price the land at levels which discount inflationary expectations far into the future.

5. Landowners often distrust participants in the real estate industry. These landowners adopt the attitude of "burying their head in the sand" and refuse to even discuss the possibility of sale.

The coincidence of these parcels withheld rises almost geometrically with the number of landowners whose land was to be assembled in a given area. In practical terms, the assembler knows that he will run into a greater resistance in gathering together thirty acres from ten separate landholders than in putting together a comparable thirty-acre parcel held by three owners.

The value of existing structures usually rises significantly when a greater number of landholders hold a given acreage. In the previous example, it may be that there are ten or more homes placed on the thirty parcel held by ten landowners while only three homes may be on the comparable thirty-acre parcel.

In aggregate, the combined effect of splintered landholdings and/or holdouts are considerably important when considering the
potential supply of residential dwelling units within the region. It may be possible within a limited time horizon to assemble all or even a significant portion within a designated urban development area, but, if such is not the case, the residential dwelling supply pipeline becomes constricted at the outset. The effect is most pronounced if the municipality holds the boundaries of the development area constant and does not permit significant "leakages" of potential developments from outside the development areas.

**Dynamic Analysis of the Residential Unit Supply Process**

Given the pool of potential residential dwelling sites as indicated by static analysis, it is now necessary to turn to a dynamic analyses of the production process over time to determine the relative efficiency or inefficiency of this production process. Foremost amongst the criteria with which to judge the process will be the time required to bring residential dwelling units to market and the attrition in numbers of dwelling unit sites which never can come to market or whose production will be delayed beyond normal expected time horizons. It is one thing for developers and/or public agencies to have raw land in inventory and quite another for these raw acreages to be transformed into serviced building sites ready for residential construction. Figure 4 sets out the dynamic process in simplified diagramatic form.

The time taken for the conversion of raw land into serviced residential sites can vary considerably from municipality to municipality in the region. The time taken to bring serviced residential building sites to market can also vary considerably within a municipality from decade to decade. Time taken can be broadly broken down into time spent on three functions:
FIGURE 4

Pictorial Representation of Dynamic Analysis of Residential Dwelling Unit Supply Process

Dwelling unit construction

Subdivision construction and/or site servicing

Guiding the development through the municipal approval process

Assembly of raw land

Loss in number of dwelling units as development passes through stages
decreasing function

Attrition in numbers

time

increasing function

Time taken from inception of land assembly to finish of dwelling unit construction
1. The assembly of raw land
2. The municipal approval process
3. The construction process with regard to servicing the dwelling site.

Raw land assembly is a process that may happen quite quickly or it may be drawn out over a considerable period of time. It may be that the developer and/or public agency has sufficient land in inventory when the creation of a development area is announced by the municipality. It may be that an experienced assembler can put together a parcel sufficiently large for development within a matter of weeks. In most instances however, land assembly in the region is a slow, frustrating task which takes at least several months and even may last for years.

Competition between the developers is intense. A number of developers may be working on an area simultaneously. Each may acquire crucial "key" parcels, frustrating the attempts of the others. Often, long periods of intensive negotiation between the developers will determine which developer(s) end up with the developable package. All assemblies are subject to the time consuming problem of dealing with "holdouts". It may be in the end, that their efforts come to naught.

Competition amongst the developers is not of interest for the crucial question is the number of raw sites which may be gathered together in aggregate by all the participants. The point to note is that there may be considerable delays encountered by the participants in assembling the land due to competition among themselves.

The time taken to guide subdivisions and/or multi-family building sites through the municipal approval process is the critical element in the time taken to convert raw land into serviced building
sites. The number of interactions between the developer and the municipality are steadily increasing and the issues are becoming more complex as urban areas expand and encounter problems inherent with growth. The subdivision approval process of the Borough of Scarborough as outlined by Andre Derkowski indicates that there are 90 agencies that may have a voice in the process of development approval. The process of approval is being constrained by the multitude of issues which arise in the cases of equating social costs with private costs. It is unfortunate that within the complexity of the process it is only the developer who represents the consumer of housing as various agencies involved are generally those concerned with the impact of additions to housing stock in the existing housing stock and the trade-off of the increased costs of development imposed upon the municipality vs the benefit of municipal population growth.

The financial position of municipalities and the role of the provincial government has an important impact upon the time required in process of approval. In cases where municipal budgets are not capable of incurring additional development, the incentive of the municipality to reduce the time required for approval does not exist. In some cases the time created by a slow approval process is an asset to the municipality in the respect that it may require the additional time to determine the optimal type of development given its financial position or succeed in impressing the provincial government that a serious municipal finance situation exists.

The planner also has an important role regarding the efficiency of the dynamics of the approval process. A comprehensive plan related to the financial position of the municipality and the optimal development situation required in order to satisfy the municipal budget
provides the superstructure in which the planner may introduce his concepts regarding the services that are required in the development of a municipality. The approval process must function within the general framework outlined by the planner. If the objectives and goals of the municipality are not well established in a comprehensive plan the micro economics of the approval process cannot function properly. If the engineer or school board or other various authorities involved in the approval process are not cognizant of an overall municipal planning policy with specified objectives, the approval process is burdened as various authorities attempt to relate their function of approval to the undetermined policy.

The local politician also has an important function regarding the time required for approval process. There is a very important trade-off between the technical assets or disadvantages of a development and its impact in the political environment in the community. The primary concern of the local politician is to observe that the ratepayer is not being harmed by a development in respect that public and social costs created by a development do not exceed the benefit to the community as a whole. Some of the considerations that the politician would take into account are:

1. Tax burden of existing residents
2. Resistance of residents to growth in population
3. Environmental costs
4. Desire of residents to upgrade the quality of residential units by encouraging consumers of a high income scale
5. Resistance to increased density (multi-family projects)

These are a few of the constraints that can be imposed on the supply of housing units in the dynamic process of subdivision approval. The
direct results would be a decrease in the number of residential units brought on the market and increases in the time taken to obtain approval.

The subdivision construction stage of the dynamic process is not unduly constricting in terms of time. Servicing of land can usually be accomplished in three to six months given normal conditions. Material shortages are however, a problem at certain times. No attritions in supply occur in that no dwelling sites would be lost at this stage.

Dwelling unit construction time lags do occur but are not unduly critical. Residential dwellings usually take from three to nine months to complete. Completion periods can be lengthened through shortages of labor and materials. No attrition in the number of residential dwelling units occurs at this stage.

The municipal approval process is the most critical constraint on the proper functioning of the dynamic process. The following chapters provide evidence of the inefficiency of the municipal approval process in the lower mainland of B.C. indicating critical constraints and possible solutions.
Footnotes

CHAPTER V

TIME REQUIRED FOR SUBDIVISION APPROVAL

The municipalities of Pitt Meadows, Richmond, the District of Coquitlam and Surrey were selected as representative of a cross section of lower mainland municipalities that would provide information regarding the time required for approval of major subdivisions. An introduction to the criterion of selection of the municipalities and the features of each will be followed by evidence indicating their specific performance in the area of subdivision approvals.

Selection of Municipalities

All of the municipalities selected generate single family dwellings as a large portion of their additional housing stock each year yet differ in respect to population, land area size, potential areas of land for subdivision, the prices of serviced land and general methods of subdivision approval. The sample selected provides a good base for determining a general subdivision procedure (which is the topic of chapter VI) as well as a reasonable interpretation of the lower mainland situation.

Pitt Meadows

Pitt Meadows was selected as it is a very small municipality with a population of approximately 3,000 people\(^1\) covering a land area of approximately 11,575 acres.\(^2\) Pitt Meadows is subdivision oriented with most of its population concentrated in one general area. It is
expected that of a maximum population of approximately 11,000 people, the majority of these people, 9,500, will be concentrated in the Highlands area which includes 790 acres. The major factor limiting the future development of the majority of the land in Pitt Meadows is the fact that this land is in the Flood Plain area which disqualifies it for residential use. The goals of the municipality in terms of growth and development are outlined in a comprehensive plan which was based on a study conducted in 1967. The subdivision approval process is very well organized as it related to the community plan. A further asset is that the procedure is very simple providing an excellent base for considering the more complex procedures used in some of the larger municipalities.

Richmond

Richmond being the antithesis of Pitt Meadows is a much larger municipality with a population of over 62,000 people on a land area of approximately 9,708 acres. Presently 2,499 acres of this land are vacant and 3,292 acres are used for residential purposes. Between 1966 and 1971 4,002 additional housing units were created while serviced land increased in price from $8,000 per lot in 1969 to $12,000 in 1972. Reference to increases in costs of serviced land in other municipalities does indicate that there may be a relationship between the cost of serviced lots and the efficiency of the subdivision approval processes used in various municipalities. The municipality of Surrey may be considered in these terms as the cost of serviced land has increased at a greater rate than that for Richmond while the subdivision approval process has tended to require more time than that required in Richmond. Evidence of this fact will be provided in the analysis of the municipalities.
District of Coquitlam

The District of Coquitlam is a medium sized municipality with a population of 53,230 people covering an area of 6,241 acres of which 2,378 acres are in residential use and 1,998 are vacant. Between 1966 and 1971 4,033 housing units were created. The price of serviced land has risen from $8,000 per lot in 1969 to $12,000 in 1972. The approval process in Coquitlam is much less sophisticated than that used in Richmond. One major distinction is that Richmond has the capacity to analyze subdivision proposals according to demands of the procedure while the District of Coquitlam must employ consulting firms in some cases. An obvious variation is the fact that in the District of Coquitlam the Municipal Engineer is the approving officer whereas in Richmond the planner is the approving officer.

Surrey

Surrey being one of the largest municipalities in Canada geographically, covers a land area of 74,124 acres acres with a population of 98,000. In North Surrey 5,455 acres are vacant and 3,740 are used for residential purposes. Between 1966 and 1971, 5,133 housing units were constructed while the cost of serviced land increased from $6,500 per lot in 1969 to $11,500 in 1972. The subdivision approval process has been changing with the rapid growth of housing development. As a consequence Surrey has adopted some policies that vary from those of the other municipalities selected. Surrey is one of the few municipalities in the lower mainland that maximizes the use of land use contracts in cases of subdivisions requiring land use changes.
Analysis of the Time Required for Subdivision Approval in Each Municipality

Consulting engineers, developers, municipal planners and municipal engineers working in each of the four municipalities selected were consulted regarding the length of time required for approval of a major subdivision from the date of preliminary application to the date of the signing of the subdivision plan by the approving officer. The information obtained from the survey gives a reasonable indication of the present trends regarding the amount of time required to approve a major subdivision in each municipality.

Richmond

Richmond, one of the more experienced municipalities in the area of subdivision development, has the most consistent record of approval times for subdivisions over the past 4 years. According to the major developers interviewed approval requires from 6 months to one year depending on the size of the project and the necessity of approval from other government bodies aside from the municipality. Large projects such as Maple Grove by Grosvenor International and Westwind involving 200 units or more (see Table 13) required approximately 12 months for approval of the first phase, however, the second and third phases as required were approved in a shorter period of time. Table 13 lists the major subdivisions which were under construction in 1973 and the dates of original application. In most cases approval required less than 1 year. Smaller subdivisions producing less than 100 building lots generally require 3 to 6 months for approval (Table 14 gives a few examples).

<table>
<thead>
<tr>
<th>Subdivision</th>
<th>Number of Single Family Dwellings</th>
<th>Date of Preliminary Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quilchena Park</td>
<td>313</td>
<td>Sept. 5, 1972</td>
</tr>
<tr>
<td>Westwind IV &amp; VII</td>
<td>147</td>
<td>Nov. 1972 and March 1973</td>
</tr>
<tr>
<td>Maple Grove III &amp; IV</td>
<td>110</td>
<td>June 1973</td>
</tr>
<tr>
<td>J &amp; B Const.</td>
<td>105</td>
<td>Oct. 31, 1972</td>
</tr>
<tr>
<td>Dawson Realty</td>
<td>250</td>
<td>Nov. 27, 1972</td>
</tr>
</tbody>
</table>

Table 14. A Sample of Small Subdivisions Approved Before September 1973

<table>
<thead>
<tr>
<th>Subdivision</th>
<th>Number of Single Family Dwellings</th>
<th>Application Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Schiel</td>
<td>36 single family dwelling building lots</td>
<td>May 29, 1973</td>
</tr>
<tr>
<td>Teved Ind.</td>
<td>61 single family dwelling building lots</td>
<td>March 14, 1973</td>
</tr>
<tr>
<td>J. K. Zee</td>
<td>65 single family dwelling building lots</td>
<td>March 1973</td>
</tr>
</tbody>
</table>

The trends of applications which are still in the approval process indicate that slowdowns are encountered when subdivisions are composed of a mixture of single family dwellings and multiple family dwellings. The municipal subdivision by-law #1430 of Richmond permits construction of multiple family dwellings on 10% of the land in projects which include 50 or more acres. The combination of
multiple and single family developments often introduces zoning
amendments and has required the employment of Land Use Contracts
in certain situations.

One of the first projects involving a Land Use Contract is
one that was initiated by Dunhill Developments July 13, 1972. The
project actually commenced in January of 1972. In August of 1972 it
was recommended to council that a Land Use Contract be prepared.
On February 20, 1973 the Land Use Contract was supposed to be executed,
however it was not ready. In August of 1973 a vague proposal in the
form of a Land Use Contract was released. In February of 1974 the
final steps in the approval process are being completed. Although
this case involved approval by other government bodies the major slow-
down may be attributed to the periods of negotiation between the
developer and the municipality when the contract was being settled.

Richmond only uses Land Use Contracts where it deems necessary.
In most cases the development agreement is used. The distinction
between the two is that under a Land Use Contract the municipality
can create a zoning change in a very specific area and essentially
sell zoning by entering into a contract with a developer to change
zoning for his project. The development agreement is not a contract
for a zoning change. Although in the process of drafting a development
agreement, a zoning change may occur in an area the two are not
directly related. The zoning change would not be for the specific
development but for the entire area covered by the existing zoning
by-law and it would not be a condition in the contract. The law is very
clear on this point regarding the independence of zoning from develop-
ment agreements. In the case of the City of Vancouver vs Registrar
of Vancouver Land Registration District, 15 W.W.R. 351 it was held
that a promise to rezone a parcel of land cannot ordinarily be the subject of a contract. The important distinction is that Land Use Contracts are enabled by legislation to permit contracting for zoning while development agreements come under housekeeping powers of the municipality which permit the municipality to give developers a right to use public rights of way to install services according to municipal standards so that his project may be completed. "A private owner of property has not the right to construct works of any description on a public road even if he proposes to build it to municipal specifications and pay the whole cost himself."21 The municipality gives the developer the right to dig up its roads or public rights of way so that he can fulfill his requirements to attain approval of his project.

Richmond generally favours the use of the development agreement as it rarely finds it necessary to allocate "spot zoning" and it has all the power necessary to regulate the development of a particular project through a Development Agreement. (Note the term Development Contract may be used alternatively to the term Development Agreement.) However, in cases such as the Dunhill project and others where multiple family dwellings are mixed with single family dwellings it has been necessary to spot zone as mentioned earlier. Since this paper is concerned with major subdivision development that involves subdivision of land into serviced lots for single family dwellings only, the use of Land Use Contracts in the Richmond approval process does not apply. There are no cases of a Land Use Contract being involved in a single family dwelling subdivision in Richmond.

There is one controversial contributing factor to slow-downs within the Richmond process. According to developers and consulting
engineers interviewed the municipal policy which recommends that the municipal engineer prepares the final drawings for a project rather than a developer's consulting engineer, is a burden to the process. At peak load in terms of volume applications, the consensus is that the municipal engineer does not operate as efficiently as the consulting engineer of the developer. It should be noted that at times when the municipal engineer is overburdened he does recommend to the developer that he should employ his own consulting engineer to prepare the drawings. Eventually the municipal engineer is going to be involved with the careful examination of the draft plans as the developer's consulting engineer presents them for inspection. Thus it does not appear that the developer can gain that much time in these circumstances. This argument will be mentioned in Chapter 5 regarding the approval process itself and alternatives to existing systems.

In conclusion, Richmond does not stand as a municipality which is suffering from a lengthening approval process. Table 14 indicated that medium sized developments can be approved in less than 3 months. The survey revealed cases where approval was obtained in three weeks. The fact that cases cited are atypical of the Richmond situation according to those interviewed, is sufficient proof. The case of major subdivisions is a different issue. The London Park development of Western Realty is an excellent historical example of an efficient process. The project was initiated in July of 1971 and approval of the first phase was given in February of 1971. As noted earlier, phased developments require more time initially but 8 months is definitely reasonable for a 300 lot division.

Unfortunately, there is nothing comparable at the present time to the major subdivision of 2 years ago. There are only a few
major subdivisions in the works today in Richmond and all of them involve mixed land use between single family dwelling and multiple family dwelling. There are delays created in these developments. Although the municipality of Richmond has drafted new zoning by-laws in areas where there are major developments as in the case of some of the projects developed by Dawson Realty and has used Development Agreements, hence avoiding the use of Land Use Contracts, there is a delay created by the public hearings required for the zoning change. As mentioned earlier, this paper is concerned with delays in developments which are not mixed but composed of only single family dwellings. A vital assumption which appears valid must be made. Since the medium sized projects are processed in the same period of time as a few years ago, an hypothetical major subdivision should also be consistent.

The mixed developments are being delayed because of public input in public hearings concerning zoning changes and the drafting of Land Use Contracts. Analysis of these facts will be conducted when reviewing the case of Surrey which uses Land Use Contracts for major subdivisions which are not mixed. Solutions to these problems will be considered in the presentation of a general procedure for subdivision approval in Chapter VI.

**Pitt Meadows**

The municipality of Pitt Meadows, being a very small municipality, has a very efficient system of approval. The municipal clerk is the hub of the process. The municipality employs a consulting engineering firm to carry out its engineering considerations. The regional planning service assists in the planning side of the process. A major
subdivision should not require more than 6 months for approval, however there are a number of complications that arise. The major threat to an efficient system of approval is the requirement of provincial approval if the project involves the flood plain, agricultural land reserve or highways department. In the case of Pitt Meadows, most subdivisions there involve at least one of these authorities.

An example is a case 22 which occurred in 1972, 1973 and involved seven months from the time proceedings began for provincial approval of the use of land in the flood plain until the date of approval. A major reason for the amount of time required may be related to the lack of familiarity of the provincial authorities with a procedure for approval at their level. The fact that the flood plain land in this case came under the jurisdiction of the Land Commission seemed to provide the required imbalance to stimulate confusion. It was also necessary for the municipality to create a Land Use Contract. Although this case did not involve a subdivision it outlines the allocation of time when provincial bodies are involved in the approval system.

The chief factor which may be blamed for the loss of time was the state of indecision regarding which department of the provincial government should be the first to consider the application and which department of the government has the voice of final approval in consideration of recommendations of other departments involved. (Since both the Land Commission and the Department of Municipal Affairs were involved the situation became very complex.) A procedure policy for approval of a land use change in a flood plain area which is also part of the agricultural land reserve, is still not definite. The following steps outline the process:
1. Application must be made to the Land Commission for release of the reserve lands. The Environment and Land Use Committee considers the application and consults with other provincial government departments such as planning water resources, highways, etc. where necessary.

2. In the case of placing development in the Flood Plain there are a series of applications that may be made simultaneously with the application to the Land Commission where agricultural reserve land is involved. (This procedure would also stand if the land was not in agricultural reserve.)

   a) Reference must be made to the regional plan. If an amendment is required application must be made to the regional district.

      (i) The regional district will forward this application to the Department of Municipal Affairs. (The Department of Municipal Affairs processes the application through various departments to assemble sufficient information in order to make a decision.)

   b) The municipality must also send its own application to the Department of Municipal Affairs regarding the change it wishes to make in the regional plan. (Same process as in step 2(a)(i).)

3. When it is known that the Land Commission is going to release the necessary land from the reserve the municipality may then prepare a development area by-law if a Land Use Contract is going to be used. (Since a zoning change is involved the municipality will generally use the Land Use Contract particularly in a situation such as this which involves the flood plain.)

   a) The development area must be established by by-law.

      (i) The development area by-law is submitted to the
regional district for approval with regard to the regional plan. The regional district forwards the by-law to the Department of Municipal Affairs which analyzes it.

(ii) The municipality must send the development area by-law to the Department of Municipal Affairs for approval.

4. The Department of Municipal Affairs will not give ministerial approval regarding flood plain land until a registered survey shows that the land in question meets the required geodetic rating which presently is determined as two feet above the historical high water line. The actual physical work must be done.

5. The municipality may now prepare its Land Use Contract.

a) The Land Use Contract once executed by the developer must be sent to:

(i) The Regional District which forwards it on to the Department of Municipal Affairs which then involves various departments of the provincial government for approval or recommendations.

(ii) The municipality must send the Land Use Contract to the Department of Municipal Affairs (same procedure as 4(a)(i)).

6. Nothing can be done until the Department of Municipal Affairs gives municipal approval according to Sec. 187 of the Municipalities Enabling and Invalidating Act.

Note: If this development did not require a change in the grade level of the land to meet the requirements of flood plain land use and the proposed development area coincided with the proposed develop-
ment according to the regional plan the Department of Municipal Affairs would not be involved.

The major slowdowns in this process involve communication breakdowns regarding provincial government policy. The procedure is not written down and the requirements tend to vary. A tremendous amount of time is lost while the various departments reporting to the Department of Municipal Affairs determine policy. The fact that the procedure is duplicated in steps 2(a) and 2(b), 3(a) i) and ii) and 5(a) i) and ii) also burdens the process as a single application is unnecessarily shuffled through various departments.

Since Pitt Meadows is such a small municipality each major subdivision is treated on a very personal basis. The municipal clerk is responsible for manipulating the proposal through the entire municipal process. As each proposal is processed in this unique manner and as each proposal is subject to variable exposure to the various authorities of the provincial government which lie outside the municipality the analysis of the amount of time required for subdivision approval cannot be generalized. The only contributing factor of Pitt Meadows in context of this chapter is the fact that approval outside of the municipality can generate excessive slowdowns which are inherent to each particular project and the degree of involvement with the provincial authorities. The major asset of considering Pitt Meadows is the simplicity of the system of approval which provided a basis for the preparation of a general subdivision approval procedure which is the text of Chapter VI.
The District of Coquitlam

The District of Coquitlam processes only a few major subdivisions every year. A majority of the applications are for one and two lot subdivisions. Table 15 compares the number of applications with the number of lot approvals made between 1970 and 1973.

Table 15. Applications and Approvals for Serviced Lots in the District of Coquitlam 1970-1973

<table>
<thead>
<tr>
<th>Year</th>
<th>Lots Approved</th>
<th>Number of Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>158</td>
<td>120</td>
</tr>
<tr>
<td>1971</td>
<td>176</td>
<td>120</td>
</tr>
<tr>
<td>1972</td>
<td>435</td>
<td>147</td>
</tr>
<tr>
<td>1973</td>
<td>556</td>
<td>150</td>
</tr>
</tbody>
</table>

In 1973, 325 of the 556 lots approved were produced by three major subdivisions. BACM is responsible for 136, Nu West created 149 and Austin Developments 40.

Analysis of the Austin development and the Nu West Development revealed the following information regarding the amount of time required to complete the approval process. The Austin development was initiated in September 1972 with preliminary discussions. A consulting engineer was not employed by the developer until May 22, 1973. On June 18, 1973 a rough plan and design was submitted to the District for approval. On July 12, 1973 the District replied to the consulting engineer giving him permission to prepare a more detailed plan which involved actual construction of road centre lines and road grades in the field. The consulting engineer spent one month preparing this formal plan and submitted it to the municipality on August 14, 1973.
On October 17, 1973 final approval was given. In this particular project the developer did not pursue his project after preliminary discussions in September of 1972. The project did not really get under way until May of 1973. The time required for approval was 6 months. This was not a typical 40 lot subdivision as it involved rugged terrain and more field work by the consulting engineer than usual.

The Nu West Development being three times the size of the Austin Development required more time. Preliminary discussions began November 17, 1971. Consulting engineers were contacted December 6, 1971. Between January 18, 1972 and September 1972 there were a series of meetings between the consulting engineer of the developer and the municipal engineer. On March 9, 1972 approval was given in principle to the preliminary plans. On March 29 more detailed plans were submitted to the municipal engineer. A month later the municipal engineer made a reply to the March 29th submission with recommendations. On May 1, 1972 the developer's consulting engineer re-submitted plans. During May and June there were a series of meetings between the consulting engineer and the municipal engineer regarding road grades and other requirements. In September the detailed drawings were completed by the consulting engineer of the developer but not approved by the municipal engineer. In November 1972 approval was expected but internal problems developed regarding land owned by a private citizen. The plan of the subdivision had to be modified and re-submitted. In January 1973 the approving officer gave final approval. In this case the process required 13 months with a portion of the delay attributable to the developer regarding the internal problems created in November of 1973.
The District of Coquitlam does not use land use contracts in cases of zoning changes except in unusual developments such as a zero lot line project. The most critical delay in the municipal approval process may be linked to the process of approval by the municipal engineer. Improvements in this area would definitely reduce the length of time for approval as in both cases illustrated there were lengthy breakdowns in communication between the developer's consulting engineer and the municipal engineer in various stages of the process.

The case of the District of Coquitlam may be considered to be functioning at a reasonable rate considering that it processes relatively few major subdivisions and that the trend is towards development of small subdivisions as there are only a few areas of land that are feasible for major subdivision development. The efficiency of processing major subdivisions is not a matter of principle concern.

Regardless of the municipal situation the evidence is conclusive that major subdivisions are restrained by Coquitlam approval system. The municipality revealed that a small subdivision of one or two lots can be processed in approximately six to eight weeks. In a standard case of a major subdivision which does not involve complicated zoning changes one would expect that the process would not require a lengthy period of time. In both cases cited there were unnecessary delays.

It was not possible to obtain historical data regarding the amount of time required for subdivision approval today as compared with the past 3 years. Since the number of major subdivisions produced in the municipality are so few the validity of such data would be questionable. The critical factor is that imperfections exist and there is potential for improvement.
Surrey

The municipality of Surrey has one of the longest subdivision approval procedures of the four municipalities considered. This fact is substantiated by a survey which reviewed a series of applications filed for subdivision approval between 1971 and 1973.

The minutes of the District of Surrey council meeting of December 3, 1973, included a report of the chief planner concerning administration of Land Use Contract and rezoning applications which had been received by the District prior to November 1, 1973 and were still in the approval process at the date of the council meeting. The administration problem was one of determining which applications would be processed under the old policy regarding allocation of imposts and which ones would be processed under the new policy of imposts which was introduced in June of 1973.

In January 1974 all 65 of the applications included in the planner's report were researched regarding the nature of the application, the number of building lots involved in a subdivision application and the approximate length of time that the applications had been in the approval process. It was discovered that 34 of the 65 applications involved subdivision development amounting to 1365 building lots. The aggregate numbers of building lots that were not approved by December 31, 1973 are listed as follows according to the date of application: 1971 - 145 lots; 1972 - 1097 lots; 1973 - 123 lots. It is important to note that the survey is based on developments which were caught in the transition of Surrey's policy regarding imposts. Very few projects filed in 1973 were on the planner's list as most of these projects had been considered in terms of the proposed impost arrangements rather than according to the old impost changes of the
amended subdivision by-law. On these grounds one may ignore the figures for 1973 and concentrate on applications made in 1971 and 1972. Most of the applications involved less than 100 serviced lots, however there are three projects which may be classified as major subdivisions producing more than 100 lots.

Western Realty, Rothnie Realty and Sur Del were responsible for the subdivision applications producing the largest individual number of serviced lots, the total of which is 600. All three projects had been in the process for a period of approximately 18 months on December 31, 1973. A brief summary of the process of approval for Sur Del illustrates the typical problems encountered by the major subdividers and many of those encountered by the smaller developer.

Sur Del commenced application for subdivision development in August of 1972. A problem concerning the creation of small park sites involved negotiations between Sur Del and the property department of Surrey and the engineering department. The negotiations continued from the end of August until the end of October when an agreement was reached. Sur Del submitted its preliminary application for subdivision in November of 1972. Tentative approval of the plan was given in January of 1973. In February of 1973 a letter stating that a portion of the development was part of the agricultural reserve was sent to Sur Del. Application was made immediately to Victoria to the chairman of the Environment and Land Use Committee requesting a release of this land. Written confirmation that the land was removed from the freeze was received April 16, 1973. Final engineering plans were submitted by the end of April 1973 by Sur Del to the municipal engineer. They were returned for revision in late June and resubmitted in early July. The municipal engineer returned the plans to Sur Del
in late August and preparation of a Land Use Contract was commenced by the municipality. On November 27 the Land Use Contract was submitted by the municipality to the municipal solicitor for drafting approval. On January 13 the Land Use Contract was returned to Sur Del and executed by Sur Del subject to certain amendments made by Surrey on January 21, 1974. The contract was presented to council for first and second reading. A public hearing was scheduled for February 4th and the project was approved by the public at this hearing. Third and fourth readings were given on February 18th and final approval followed.

Major consulting engineers and developers in Surrey consulted with reference to the amount of time required for subdivision approval indicated a number of causes of delay. Some developers attributed the problem of delays in 1972 to the introduction of the land freeze and the additional bureaucracy created by the necessity of obtaining approval from the Land Commission in cases where land was frozen subject to the completion of an official agricultural land reserve. The case of Sur Del indicates a delay of approximately 3 months. One should note that the delay did not completely impede the approval process. While Sur Del was awaiting confirmation from Victoria its consulting engineers were busy preparing a final draft plan. It seems reasonable to assume that the approval of the Land Commission did not constitute a major cause of delay in the approval process. A review of the land area presently dedicated as agricultural land reserve and developments in the vicinity of this area, also indicates that there were very few cases where development of subdivisions was restricted by the land freeze. The critical period of delay for Sur Del was between April 1973 and November 1973 and November 27, 1973 and
January 13, 1974. The former period of delay may be attributed to delays caused by the processing of the project through the engineering department, the latter delay was attributable to Land Use Contract processing problems.

A review of statistics provided by Surrey regarding the number of building lots approved between 1965 and 1973 combined with the information obtained in the independent survey of the minutes of the December 3, 1973 council meeting provides evidence that Sur Del encountered the same slowdowns that were experienced by many other projects at that time.

Table 16 provides building lot statistics for the District of Surrey between 1965 and 1973. Although there are variations the number of building lots given preliminary approval between 1965 and 1968 increased at a relatively steady rate of approximately 270 lots per year from a base of 495 in 1966 to 1041 in 1968. The number of serviced lots given final approval also increased at a steady rate. Between 1965 and 1969 the rate of increase is averaged to be 92 lots per year from a base of 307 in 1965 to 675 in 1969. Between 1968 and 1969 the rate of increase of preliminary building lot approvals decreased to a negative figure while the number of serviced lots given final approval increased by 98 lots. One could assume that the number of building lots being processed through the system between 1965 and 1969 were being processed at a steady pace and that given that a certain number of building lots never go beyond the stage of preliminary approval for reasons such as bankruptcy of development firms, etc., it appears that one could state that the average time required for building lot approval was in fact less than 1 year. The statements of all consulting engineers and developers working in Surrey
prior to 1971 confirmed this fact in interviews.

If one assumes that the majority of the building lots were being processed in less than 1 year prior to 1970 the changes in the numbers of building lot approvals relative to the number of preliminary approvals becomes very significant. Referring back to Table 16 the number of lots given preliminary approval increased from 699 in 1970 to 1219 in 1971. In 1972 the number of lots given preliminary approval increased from the 1971 figure to 2191 and tapered off to a total of 2462 in 1973. The number of building lots given final approval were not so consistent. Between 1969 and 1970 the lots given final approval dropped from 675 to 471 then increased to 884 in 1971; 903 in 1972 and decreased to 757 in 1973. The critical point to notice is not only the fact that an increase and decrease occurred but that between 1970 and 1973 the number of lots given preliminary approval increased by over 300% from 699 to 2462 while lots given final approval increased by 60% between 1970 and 1973 or if one calculates the percentage increase based on the average number of lots produced over the same time periods there was a 0% increase for final approved building lots and a 66% increase in lots given preliminary approval. There was an obvious breakdown in the system of approval. All applications for final approval made between 1971 and 1973 could not possibly be satisfied in the period of one year given these proportions of final approvals to preliminary approvals.

This information may be tied into the information determined by the survey of applications involving Land Use Contracts and zoning amendments. 1097 building lots are known to be plugged into the system in 1972. They were accounted for as still in the system as
Most of them are included in the 1972 figure of 2191 building lots given preliminary approval. Thus almost 50% of the total number of lots in the system involved land use contracts in 1972. It must be pointed out that there is a certain percentage of lots given preliminary approval that will not reach the final approval stage. None of the 1097 are in this classification. In 1973 there were 2462 preliminary approvals which essentially complement the known 1097 lots in the system. According to the municipality the number of applications involving land use contracts are increasing.

Three very important conclusions may be drawn.

1) The approval procedure was longer than 1 year in 1972 and 1973. This confirms the statement by consulting engineers and developers that the process entails at least 18 months for a large subdivision. Note that only 3 of the 34 applications involved major subdivisions. Most of the applications were for subdivisions ranging between 15 and 80 lots. These smaller subdivisions should be approved in a shorter period of time but were not.

2) Land Use Contracts may be identified as one of the causes of the slowdown in the approval process. Prior to 1971 Land Use Contracts were not used in the subdivision approval process. In 1972 they were introduced to the procedure on a reasonable scale and in 1973 the municipal council passed a by-law that all land use changes should be dealt with through Land Use Contracts.

3) The fact that the municipality froze development approvals during May 1973 and introduced a new development policy regarding imposts in June 1973 may also be indicated as a possible cause of
Table 16. Application and Approval for Serviced Lots in Surrey 1965 - 1973

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>Preliminary Applications Received</td>
<td>250</td>
<td>290</td>
<td>461</td>
<td>380</td>
<td>354</td>
<td>300</td>
<td>411</td>
<td>429</td>
<td>359</td>
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<tr>
<td>Preliminary Applications Reconsidered</td>
<td>36</td>
<td>16</td>
<td>23</td>
<td>17</td>
<td>28</td>
<td>20</td>
<td>31</td>
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<td>Preliminary Applications Approved</td>
<td>172</td>
<td>184</td>
<td>217</td>
<td>234</td>
<td>194</td>
<td>180</td>
<td>267</td>
<td>321</td>
<td>241</td>
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<tr>
<td>Lots Given Preliminary Approval</td>
<td>506</td>
<td>495</td>
<td>787</td>
<td>1041</td>
<td>888</td>
<td>699</td>
<td>1219</td>
<td>2191</td>
<td>2462</td>
</tr>
<tr>
<td>Applications for subdivision after preliminary approval</td>
<td>94</td>
<td>125</td>
<td>168</td>
<td>183</td>
<td>221</td>
<td>142</td>
<td>216</td>
<td>236</td>
<td>174</td>
</tr>
<tr>
<td>Lots Given Final Approval</td>
<td>307</td>
<td>370</td>
<td>480</td>
<td>577</td>
<td>675</td>
<td>471</td>
<td>884</td>
<td>903</td>
<td>757</td>
</tr>
<tr>
<td>7200 sq.ft. to 21,780 sq.ft.</td>
<td>125</td>
<td>158</td>
<td>201</td>
<td>249</td>
<td>221</td>
<td>170</td>
<td>465</td>
<td>489</td>
<td></td>
</tr>
<tr>
<td>(½ acre)</td>
<td>(40.7%)</td>
<td>(42.7%)</td>
<td>(41.8%)</td>
<td>(43.1%)</td>
<td>(32.7%)</td>
<td>(36.1%)</td>
<td>(52.6%)</td>
<td>(54.2%)</td>
<td></td>
</tr>
<tr>
<td>½ acre to .99 acre</td>
<td>38</td>
<td>39</td>
<td>55</td>
<td>30</td>
<td>94</td>
<td>26</td>
<td>41</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>(12.4%)</td>
<td>(15.5%)</td>
<td>(11.5%)</td>
<td>(5.2%)</td>
<td>(13.9%)</td>
<td>(5.5%)</td>
<td>(4.6%)</td>
<td>(3.8%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 acre to 4.99</td>
<td>107</td>
<td>129</td>
<td>192</td>
<td>233</td>
<td>282</td>
<td>231</td>
<td>296</td>
<td>303</td>
<td></td>
</tr>
<tr>
<td>(34.8%)</td>
<td>(34.9%)</td>
<td>(40.0%)</td>
<td>(40.4%)</td>
<td>(41.8%)</td>
<td>(49.1%)</td>
<td>(33.5%)</td>
<td>(33.6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 acres +</td>
<td>37</td>
<td>44</td>
<td>21</td>
<td>65</td>
<td>78</td>
<td>44</td>
<td>82</td>
<td>77</td>
<td></td>
</tr>
<tr>
<td>(12.1%)</td>
<td>(11.9%)</td>
<td>(6.7%)</td>
<td>(11.3%)</td>
<td>(11.6%)</td>
<td>(9.3%)</td>
<td>(9.3%)</td>
<td>(6.4%)</td>
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</tr>
</tbody>
</table>

Source: Surrey Planning Department
the slowdown which occurred in 1973.

The subdivision approval procedure is far more complex than the preceding analysis leads one to believe. The fact that in the municipality of Surrey and other municipalities, the subdivision approval process has become longer and more complicated introduces the necessity of analysis of the approval procedure of Surrey as well as those of the other municipalities discussed. The next chapter introduces a general approval procedure based on analysis of the approval procedures used in each of the four municipalities.
Footnotes


4 Loc. Cit.


6 The Housing Issue, Vancouver G.V.R.D. 1973, Table 10.


8 Loc. Cit., Table 11.

9 Loc. Cit., Table 9.


11 Loc. Cit., Table 10.

12 Loc. Cit., Table 11.

13 Loc. Cit. Table 9.


17 Loc. Cit. Table 11.

18 Loc. Cit. Table 9.

20 *City of Vancouver v. Registrar of Vancouver Land Registration District*, 15 W.W.R. 351.


22 Confidential.

23 Based on interviews.

24 Based on interviews.
CHAPTER VI

THE MUNICIPAL APPROVAL PROCESS

The municipal subdivision approval process varies in each municipality in British Columbia. There is, however, a common framework from which the municipalities of the province derive their system. Part XXI, Community Planning, Division 4, Subdivision of Land of the Municipal Act R.S.B.C. 1960 C.255 and Part IV, Descriptions and Plans of the Land Registry Act R.S.B.C. 1960 C.208 contain the enabling statutes which set the rules for requirements in subdivisions and the procedure and conditions for registration of subdivision, respectively. Analysis of four municipalities discussed in Chapter IV combined with a review of enabling legislation has made it possible to produce three general outlines of the subdivision approval process: one for a subdivision which conforms to existing municipal zoning regulations (see Figure 5), a second for subdivision which requires a non-conforming use of land according to municipal regulations (see Figure 6), and a third which uses Land Use Contracts (see Figure 7). The latter 2 procedures involve zoning changes in this analysis. (Appendices A, B, C, and D, outline the procedures of each municipality studied.) Following the presentation of the general procedures the critical components of each process which tend to cause delays in these processes will be discussed and solutions will be considered.

The general procedures outlined are designed for the application of a major subdivision which may be defined as "one which necessitates
Figure 5
General Approval Procedure

Preliminary Discussions → Formulation of draft plan → Planning Department

Municipal Treasurer → Board of School Trustees → Municipal Building Department → Municipal Engineer

Provincial Authorities → Utility Companies → Municipal Engineer → Consulting Engineer of Developer

Preparation of Final Plan by Developer → Approving Officer

Planning Department

Advisory Planning Commission → Provincial Authorities → Public Utility Companies → Municipal Council

Municipal Solicitor

Filing for Prospectus

Land Registry Office → Developer
Approval Procedure With a Zoning Change

*Council may wait until developer completes final plan before giving final reading.
Figure 7
Approval Procedure with Land Use Contract

Application for Rezoning

Advisory Planning Commission

Municipal Council

Planning Department

Developer Prepares Final Plan

Consulting Engineer

Engineering Department

Municipal Solicitor

Planning Department

Developer Prepares Land Use Contract

Municipal Council

Engineering Department

Planning Department

Developer pays impacts, bonding, etc.

Public Hearing

Municipal Council reads L.U.C. By-Law

Final Approval

Developer Signs Land Use Contract
construction of new roads or services to or beyond any of the lots being created. A minor subdivision which is one that is "adequately serviced by existing roads or utilities" involves the same procedure with the exception of certain steps such as those involved in approval for road construction.

The analysis of approval procedures is presented according to the major stages that the developer and municipalities must complete in order to satisfy the demands of the municipal regulations which for our purposes are standardized. The outline is a simplistic approach as the actual situation requires many more interactions and frequent inconsistencies to the order of sequence specified.

General Subdivision Procedure

Stage I - Preparation for an Informal Meeting

Preparation for an informal presentation of a subdivision concept to a municipal hall involves the following considerations.

1. The subdivider should be aware of any municipal by-laws which may prohibit the intended use of the land proposed to be subdivided.
2. The subdivider must note whether his concept is consistent with the comprehensive plan of the municipality if such a plan exists.
3. The subdivider should be familiar with all municipal by-laws regulating subdivision.
4. The subdivider should be aware of sewerage and water main capacities and regulatory by-laws.

Stage II - The Informal Meeting

The informal meeting with the municipal planners involves a fishing expedition on the part of the developer to determine whether
the location, land use and timing of the development is acceptable in principle.

**Stage III - Preliminary Application**

If the developer is confident that the principle of the project is feasible in terms of the plans of the municipality he may make a preliminary application for subdivision approval. The basic steps include:

1. The developer generally employs a consulting engineer to draw up a draft plan which includes the following information:
   
   (a) The layout of all proposed streets and lots;
   
   (b) Spot levels in the approximate centre of each lot or parcel, at the intersections of any proposed roads with existing roads and at certain specified intervals along each proposed road in the subdivision;
   
   (c) The location, dimension and uses of any structures existing on the land being proposed for subdivision must be given.

2. The developers must identify the owner of the land in question.
3. A certificate of encumbrances must be provided.

The preliminary application usually complies with a standard form provided by the municipality. The form is filed in the municipal planning office.

**Stage IV - Processing of the Preliminary Application**

The municipality processes the application in the following manner:

1. Technical planners assign a file number to the application and confirm the validity of the information submitted in the application regarding ownership and encumbrances. Reference is made to any municipal zoning by-laws that are related to the application. A record sheet is drafted with all relevant material and copies may be forwarded
to the following departments for comments.

(a) The Board of School Trustees
(b) Engineering Department
(c) Municipal Building Department
(d) Public Utilities Company
(e) Municipal Treasurer
(f) Central Mortgage and Housing Corporation
(g) Municipal Council
(h) Any other departments that may be involved (internal or external of the municipality) e.g.
   i) Highways Department
   ii) Fisheries
   iii) Department of Transport
   iv) Regional District
   v) Greater Vancouver Sewerage and Drainage District
   vi) Greater Vancouver Water Board.

2. The comments of all departments are reviewed by the planning department and if the project is still in a favorable position a field inspection is conducted.

   (a) The technical planner inspects the site of the proposed subdivision noting the location of existing services, buildings, etc.

3. A letter is drafted noting the requirements of the subdivision or conditions necessary for approval of the developer's application. (In some municipalities the letter includes all charges to be levied on the developer as prescribed by its servicing agreement by-law.)

   Stage V - Application for Final Approval

If the developer receives preliminary approval his decision to apply for final approval requires the following:

1. In most municipalities the developer must commence action towards obtaining final approval within a prescribed time period or the preliminary approval will be void (usually 90 days).
2. The developer's consulting engineer must prepare detailed drawings based on the recommendations of the engineering department of the municipality. A series of revisions are usually required as the consulting engineer presents his plans to the municipal engineer. (Note that in some municipalities such as Richmond the municipal engineer generally prepares the detailed final drawings.)

3. A legal survey of the proposed site of the subdivision must be completed. This includes a ground survey as well as a description of easements, rights of way and restrictive covenants.

Stage VI - Municipal Review of the Application for Final Approval

1. The municipality must receive authorization from any departments which derive statutory authority over the approval of the final plan. The Controlled Access Highways Act requires that any land use which is inconsistent with plans approved by the Highways Department must be approved by the Highways Department if the land in question is within one-half mile of a controlled access highway.

2. The municipal engineering department initiates preparation of a servicing agreement while directing the consulting engineer of the developer with regard to servicing requirements. The complexity of servicing agreements varies in each municipality. The servicing agreement is the basis for determining the monies required of the developer if he wishes to post a guarantee that he will complete the services. The agreement is based on the final draft plan which lists all the services and expenses required of the developer.

3. The municipal solicitor relates the servicing agreement to the requirements of monies if the developer wishes to post a guarantee. In some municipalities the servicing agreement is transformed into a
development agreement which introduces certain constraints on the developer regarding conditions that must be satisfied in fulfilling the servicing agreement. In some municipalities this information is included in the basic servicing agreement. In either case the municipal lawyer provides the legal skills for draftsmanship and interpretation of the agreement to favour the municipality.

**Stage VII - The Development or (Servicing) Agreement**

1. The developer must decide whether he will post bonding, cash, a letter of credit (according to the requirements of the municipality) as a guarantee that he will carry out the requirements of the servicing agreement (the security must equal the estimated cost of the installation of the services) or actually install the services. By posting a security the developer can move on to Stage VIII and register his subdivision. If he chooses to not place security but to install services before registration of his subdivision, he must have all his work complete and approved by a municipal inspector before he can register his subdivision. The disadvantage of this second alternative is that the developer loses a great deal of time by waiting until all services are approved before he registers his subdivision. If he selects the first alternative the process of registration goes on simultaneously with the installation and inspection of services.

2. In most municipalities, provisions are made for the refunding of monies as phases of the servicing are completed and inspected satisfying municipal standards. The municipality generally requires that a maintenance bond of 50% of the cost of installation be held for 1 year after the completion of services. Some municipalities require that 5% of the costs must be deposited in cash as security for 1 year.
3. The developer reviews the conditions of the servicing agreement or the development agreement and decides which alternative is most favorable for him. If he agrees with the conditions of the servicing agreement and signs it, he must carry out the funding of securities as a guarantee. If the developer does not choose to commit himself to the servicing agreement, he may install the services according to the standards prescribed by the municipality pending inspection.

4. The municipal engineer reviews the agreement and notes that all rights of ways and encumbrances are listed. Assuming that the developer chooses to sign the servicing agreement, we move to Stage VIII.

**Stage VIII - Approval of Final Plan**

The developer tenders the subdivision plan to the clerk of municipality for examination and approval by the approving officer accompanied by:

1. An examination fee (usually $2.00).
2. A certificate that all taxes which have been assessed on the land subdivided have been paid and in the case where local improvement taxes, rates or assessments are payable in annual installments that all installments owing at the date of the certificate have been paid (Land Registry Act S.89).
3. When the plan is approved the approving officer writes "Approved under the Land Registry Act" and signs his name and official designation (Sec. 97 Land Registry Act).

**Stage IX - Registration of Subdivision**

The subdivision plan must be tendered for deposit with the registrar within 60 days after it has been approved by the approving
officer according to the Land Registry Act, Sec. 79. The following requirements must be upheld:

1. A form to be "signed by the owner of the land subdivided or his agent, and the duplicate certificate of title covering the land subdivided shall be produced for cancellation or endorsement" (Sec. 101 Land Registry Act).

2. All land must be registered on the register.

3. The plan shall be signed by each owner of lands subdivided or his agent (Sec. 103 Land Registry Act).

4. "The Registrar shall examine the application and the instruments and plan produced in support thereof and if satisfied that they are in order and in compliance with all the requirements of the Land Registry Act shall assign to the plan a serial deposit number and issue such new certificates of title for the parcels shown upon the plan as may be necessary."  

5. "No certificate of title shall contain more than five parcels."  

Stage X - Filing for Prospectus

The final step in the process is the filing of a prospectus with the Superintendent of Insurance. Sec. 51(1) of the Real Estate Act RSBC 1960, Chapter 330, states that "no promoter and no person on behalf of the promoter shall sell or lease or offer for sale or lease or knowingly assist in the sale or lease or offering for sale or lease of any lot or parcel of land in a subdivision unless:

(a) The subdivision plan has been filed in the Land Registry Office for the district in which the subdivision is situate or if the subdivision is in a place outside the province where the subdivision plan can be registered it is so registered, and

(b) there has been delivered to and accepted and filed by the Superintendent a prospectus in the form and with the content required by Section 52."
1. The prospectus must be accompanied by a certificate of a solicitor who is a member of the Law Society of British Columbia, the statutory declaration of either a promoter or director and a true copy of the plan of the subdivision.

2. After filing and acceptance of a prospectus a true copy must be delivered to the prospective purchaser or agent before any sales or leases may be completed, Real Estate Act, Sec. 51(2)(a).

The subdivided lot is now ready for sale and the issuance of building permits.

Subdivision Approval Procedure with a Zoning Amendment

The subdivision approval process varies in the event that a zoning change is required in order for the project to be approved.

Stages I, II and III are conducted in the same manner as in the general approval process procedure. When the application for subdivision approval subject to a zoning change is filed in Stage IV a new series of steps are introduced. The developer follows the same procedure introducing a rezoning application as well as a subdivision application but the municipality does not.

Stage IV - Municipal Processing of Preliminary Application

The municipal planner must submit the developer's application for a zoning by-law amendment to the municipal council.

1. The municipal council may elect to refer the application to the Advisory Planning Commission which may be established by the municipal council under the authority of Section 701 of the Municipal Act.

2. The advisory planning commission functions as an advisor to the council on matters coming within the scope of Community Planning
Part XXI of the Municipal Act. This includes official community plans, zoning, subdivision of land, and building regulations.

3. The Advisory Planning Commission will research any comments of the Planning Department, Engineering Department, Board of School Trustees, or any other departments that may be affected. This information is then presented to council.

4. If council decides that the zoning amendment is feasible it may authorize preparation of an amending by-law.

5. Various committees may be appointed by council to consider important aspects of the proposed amendment.

6. The council shall not amend a zoning by-law until a public hearing is held subject to Sec. 703 of the Municipal Act.

7. Subsequent to the public hearing the council may amend the by-law upon an affirmative vote of 2/3 of all members of council. (Note that council's power is limited to the enabling statutes. In cases where certain bodies must give approval to amendments the council will be ultra vires if such approval is not received.) An example would be an amendment without approval of the Highways Department in a case where the Controlled Access Highways Act takes precedence or a case where the approval of the Lieutenant Governor in Council is required in order to amend an Official Community plan pursuant to Sec. 187 of the Municipalities Enabling and Validating Act.

The developer may now move on to Stage V of the general process.

Subdivision Approval Process Involving a Land Use Contract

In the event that a municipality decides to employ a Land Use Contract in the procedure of amending a zoning by-law the procedure will vary. Sec. 702A of the Municipal Act is the enabling section for
the procedure by which a municipality may enter into a Land Use Contract.

702A. (1) In exercising the provisions of this section, the Council shall have due regard to the following considerations in addition to those referred to in subsection (2) of section 702:-
(a) The development of areas to promote greater efficiency and quality:
(b) The betterment of the environment:
(c) The fulfilment of community goals: and
(e) The provision of necessary public space.

(2) The Council may, by by-law, amend the zoning by-law to designate areas of land within a zone as development areas, but a public hearing under sections 703 and 704 is not required.

(3) Upon the application of an owner of land within the development area, or his agent, the Council may, by by-law, notwithstanding any by-law of the municipality, or section 712 or 713, enter into a land use contract containing such terms and conditions for the use and development of the land as may be mutually agreed upon, and thereafter the use and development of the land shall, notwithstanding any by-law of the municipality, or section 712 or 713, be in accordance with the land use contract.

(4) A contract entered into under subsection (3) shall have the force and effect of a restrictive covenant running with the land and shall be registered in the Land Registry Office by the municipality.

(5) The Council may, by by-law, prescribe the procedure by which the municipality may enter into a land use contract and the form and consideration of the contract.

(6) The Council shall not enter into a land use contract until it has held a public hearing, notice of which has been published in the manner prescribed in subsection (1) of section 703, and except upon the affirmative vote of at least two thirds of all the members of the Council.

(7) The provisions of section 703 apply, with the necessary changes and so far as are applicable, to a hearing under this section.

(8) Nothing in this section restricts the right of an owner to develop his land in accordance with the regulations of the municipality applying to the zone in which the land is situate who does not enter into a land use contract with the Council.
A land use contract is deemed to be a zoning by-law for the purposes of the Controlled Access Highways Act. 1971, c.38,s.52; 1972,c.36, s.28.

The municipality must also satisfy the general requirements of sec. 702 of the Municipal Act. The application is processed according to the procedure specified in the land use contract procedural by-law enabled by sec. 702A(5). The developer follows the same pattern as outlined in the General Procedures up to an including the Preparation of a Preliminary Application in stage III.

Stage IV - Municipal Processing of Application

The municipal planner submits the developer's proposal to council.

1. Council may refer the application to the Advisory Planning Commission or give the application approval to proceed according to the rules of preparation of land use contract. (If the Advisory Planning Commission is used for advice and the council later approves the application, the process continues in the same manner.)

2. The developer must indicate that he agrees to proceed under a land use contract.

3. The technical planner drafts up the land use contract according to the municipal procedural by-law.

The developer generally has two choices of action when undertaking a land use contract.

1. The developer may stay at stage IV of the general process and enter a land use contract that is based on estimated costs of engineering for the provision of required services.

   (a) The developer must sign the land use contract.

   (b) The land use contract is presented to council for a first and second reading.
(c) Sec. 702A (6) Municipal Act requires that council shall not enter into a land use contract until it has held a public hearing according to the provisions of sec. 703 of the Municipal Act.

(d) If the public hearing approves, the council may give a third reading to the land use contract subject to the approval of the engineering department that must state that the servicing agreement is complete.

Thus, the developer must follow stages 5, 6 and 7 before the actual land use contract is approved by the municipality. However, by waiting until the public hearing he has the security that his project will be accepted subject to meeting the conditions prescribed by the municipality. The disadvantage of this option is that the developer waits until the public hearing is complete before drawing up his final engineering plans and establishing a servicing agreement. The advantage is that he reduces his financial loss in the event that the land use contract will be rejected by the public hearing.

2. The developer may move on to stages IV, V, VI, VII as he signs a land use contract with the municipality. The land use contract will not be drawn up until the developer completes his final engineering drawings and establishes a servicing agreement with the municipality.

The procedure of approval involves,

(a) The municipality will incorporate the final conditions of the servicing agreement into the land use contract.

(b) The developer must sign the land use contract which is presented to council and public hearing in the same manner as described in Option 1.

(c) The municipal engineer will review the final draft of the land use contract to ascertain that all conditions laid out in the servicing agreement are included in the land use contract.

(d) Subject to the approval of the engineering department the council may then approve the land use contract.

(e) The developer is now at stage VII of the process as
when the servicing agreement was drawn up the monies, bonding or certificate of credit required, were stipulated.

(f) The developer follows the general procedure placing his monies as security. The land use contract will be signed by the mayor and clerk.

(g) The subdivision plan may now be approved and registered according to stage VII of the general process which continues as outlined in the general procedure.

The developer who uses method 2 has the advantage of registering his subdivision after the approval of the land use contract. He took the risk that all his expenses on final drawings could be lost if the public hearing rejected his project. In most municipalities, this approach saves time as the developer is not held up by the public hearing as is the case in method 1 but works along while the project is being prepared for public hearing.

Analysis of the General Procedure

The subdivision approval process is becoming a very complex procedure. During the past three years, the amount of time required to approve a major subdivision of the type outlined in this analysis has increased in most municipalities. Interviews with developers, consulting engineers and planners in each municipality revealed that the process is becoming longer. Developers cite municipal policy as being one of the most important single reasons why their land holdings are not being serviced. Sixty-six percent of the responses to a land inventory survey* conducted in Metropolitan Vancouver, indicate that municipal policy is slowing down their development process. The

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*In conjunction with research of the municipal process an unpublished survey was conducted to determine the significance of land holdings of major developers in Metropolitan Vancouver.
analysis of the four municipalities in Chapter III identified a number of specific components of the procedure process that are possibly responsible for delays. An analysis of the general framework of approval stage by stage indicates these critical areas and their relationship to the procedure itself. The first three stages of the process are basically the responsibility of the developer. His entrepreneurial capacity will determine the rate of approval of this portion of the process.

Stage IV of General Procedure

Numerous developers surveyed indicated that the major impediment at the preliminary approval stage was the bureaucracy created in the processing and approval of the preliminary applications. The prevailing contention is that applications tend to sit on the desks of the various departments involved with the application. The time period involved in those municipalities surveyed is approximately 3 to 5 weeks for the completion of this stage. Richmond requires 3 to 4 weeks (see Appendix B-1), the District of Coquitlam 3 to 5 weeks (see Appendix C-1), and Surrey requires 3 to 5 weeks (see Appendix D-1) according to municipal planners.

The most significant hold-ups in stage IV are encountered when approval of a department of a higher level of government if required. A prime example is the case where approval of the Department of Highways is required. If road exchanges or closures are required a by-law may have to be drawn up requiring readings by council subject to division 1 of part V of the Municipal Act. This process may add 4 weeks to the process. If the approval of the highways department is required the situation is worsened considerably. If, for example, the Controlled Access Highways Act prevails and approval is required by the provincial
highways department the following procedure is followed.

The municipality must notify the District Highways Department providing details of the proposed changes. This information is forwarded to the office of the Regional Highways Department which forwards the information to the offices of the Provincial Highways Department in Victoria. Victoria then returns the approved application to the Regional Highways Department which forwards the information to the District office which forwards the information to the municipality which may adopt it as by-law. This process alone can take up to three months. Although this process is not followed by all cases of road changes or closures it does occur in some.

A further example of the bureaucracy introduced by the involvement of higher levels of government is exemplified in the case of by-law amendments in the flood plain areas. This will be referred to in the analysis of zoning change procedure.

Stage V of General Procedure

This is one of the most complicated stages in the procedure. The drafting of a final subdivision plan by the consulting engineer of the developer is the first example of a source of hold-ups.

If the developer's consulting engineer is not familiar with the engineering policies of a particular municipality, the time involved in preparation of the final plan could be increased up to one month. When the consulting engineer of the developer is preparing his final draft plan, he must be in communication with the municipal engineers. A major subdivision requires numerous interactions between the two bodies as details and requirements are refined for unusual situation or circumstances, unique to a particular project. Every meeting between the municipal engineer and the consulting engineer
of the developer involves time. If the consulting engineer of the developer is not familiar with the standard requirements of the municipal engineer the probability of error and, hence more meetings, increases.

The potential for hold-ups is also prevalent on the municipal engineering side. In some municipalities, the policy of the engineering department is to review all final draft plans with the greatest of care to ensure that there are no errors. In many cases, this involves hours of careful analysis and frequently uncovers numerous errors. It is the consensus of most consulting engineers interviewed that this careful analysis at this stage of the process is somewhat redundant. The system would be considerably more efficient if the municipality approved the final plans of the consulting engineers subject to correction of any errors in the plan at the time of execution of the plan. It appears that this phase of the process does produce an unnecessary delay. The plans should be reviewed but an effort should not be made to identify problems which are of a very minor status and are subject to change with the actual execution of the plans. It should be noted that there are some municipalities considering the more liberal approach, e.g. Richmond.

Another very significant problem which tends to limit the efficiency of the engineer's preparation of final plans for a subdivision is the present system of registration of as-constructed plans in the municipal hall. The as-constructed plans are the detailed plans of services located in a particular area. In many municipalities the plans which indicate the location of services on public and private land are incorrect. The consequence of this situation is that if a final plan which indicates the location of services is based on an
incorrect plan of existing services, the final plan can become inoperable. The consulting engineer must draw up an as-built plan locating all of the existing services and then redraft his final plan which must be approved by the municipal engineer. An excellent solution to this problem would be a mandatory check of validity of location of existing services in each subdivision development. Municipalities could establish a mandatory impost of $300 towards the correct mapping of all services. Legislation should also provide for a better system of enforcing the registration of correct as-built drawings which are presently required when the developer's consulting engineer inspects the contractor's installation of services. Although this problem does not evolve at this particular stage of the process it does originate at this point and is a valid cause of delays in the production of serviced lots.

A final point regarding the drafting of the final plan is that each municipality sets its own system complete with its own imperfections. Some consulting engineers suggest that the process of preparing a final draft plan is hampered by the changing demands of the municipal engineers. A standardized process of drafting final plans could alleviate many problems. If a comprehensive procedure that was based on recommendations derived from analysis of all the municipal systems was employed, there would be a case of expertise triumphing over imperfections. An important drawback is that most municipal area projects vary according to topography and in some cases climate. Regulations for the depth of water mains in Vancouver which is noted for its mild weather, would definitely not apply in the subzero climate of northern B.C. If a more consistent procedure was derived, even though it permitted variations in standards, it would be an asset.
A most important aspect of the preparation of the final plan is that it is the basis for the preparation of the servicing agreement by the municipal engineer. The servicing agreement can require that the developer provide all of the services as prescribed by section 711 to 713A of the Municipal Act. Sec. 711 (4) states that "The approving officer may refuse to approve a subdivision plan if he is of the opinion that the cost to the municipality of providing public utilities or other municipal works or services would be excessive." The developer is thus forced into a position where the approval of his project depends upon his absorption of off-site as well as on-site costs. The municipal engineer will attempt to maximize the expenditure of the developer for off-site requirements if they do not exist. Off-site requirements include provision of trunk lines which would connect with existing trunk lines if the existing trunk lines do not extend to the project, construction of water mains, storm sewers between the site and existing systems. One must note that existing systems must be able to handle the additional capacity. If they do not, the developer may be required to increase the capacity. The issue of off-site requirements introduces a very intensive bargaining situation.

Once bargaining commences the developer and the municipality have entered a possible time-consuming struggle. In some cases the demands of the municipality are put to the test in court. There are a few recent cases which illustrate the complexity of this aspect of the procedure and the time that can be lost. In the case of Piccadilly Estates vs. the Corporation of the District of Delta, Justice Munro stated that sec. 12 of the Delta Municipal Subdivision by-law no. 1925 which purports to require a proposed subdivider to construct all work and install all services at his own expense prior to the approval of
his subdivision plan is not enabled by the Municipal Act or the Land Registry Act. Justice Munro stressed that sections 711 and 711A of the Municipal Act make it clear that it is the plan and not the work that requires approval by the approving officer. Justice Munro held sec. 12 ultra vires of the municipal council stating that "A municipal council has only the powers vested in it by statute and especially where power is conferred to enact by-laws directed against the common law rights of an owner to use and dispose of his land as he pleases: the municipality must keep strictly within the powers conferred. Vic Restaurant Inc. v City of Montreal (1959) 17 D.L.R. (2d) 81; Re Surrey (1960) 20 D.L.R. (2d) 174." Thus the municipality must consider its powers while the developer has his rights. This case does not resolve litigation regarding this issue. There have been many interpretations. It should be noted that amendments to section 911 of the Municipal Act introduce section 911 (9) (b) by sec. 18 of chapter 59 Statutes of British Columbia, 1973 (first session) which gives municipalities the power to enforce conditions such as those stipulated in by-law 1925 sec. 12.

Stage 6 of the General Procedure

In the actual provision of funds by the developer as security that services will be installed according to the servicing agreement can introduce delays in the procedure.

If a developer is not financially secure to the extent that he can provide funds to the municipality and at the same time provide funds to actually install the services, he must complete all services before making an application for registration. If the developer is in a position where he can afford temporary double funding, he moves through the process at a faster rate as his application for registration
in the Land Registry Office can actually be processed while the services are being installed. In most cases, this is a situation of survival-of-the-fittest. The developer who cannot afford double funding will suffer the consequences - delays in the process. If he is not financially stable to withstand the additional time required to achieve his goal of registered lots with a prospectus he must suffer the consequences - possible bankruptcy.

A case which illustrates the complications which arrive in the event of poor draftsmanship of the servicing agreement is that of Cam-Kerr Developments v. the District of Abbotsford. Justice Hutcheon held that the approving officer had acted beyond his powers by refusing to approve the subdivision plan of Cam-Kerr Developments on the grounds that Cam-Kerr had failed satisfy sec. 711 (9) of the Municipal Act which states:

Sec. 711 (9) All works and services required to be constructed and installed at the expense of the owner of land proposed to be subdivided pursuant to the provisions of a by-law under this section shall be constructed and installed to the standards prescribed in the by-law prior to the approval of the subdivision by the approving officer unless

(a) the owner of the land deposits with the municipality a bond in the form and in the amount prescribed in the by-law or, if not so prescribed, in a form and for the amount satisfactory to the approving officer having regard to the cost of installing and paying for all works and services required pursuant to the by-law, and

(b) the owner of the land enters into an agreement with the municipality to construct and install the prescribed works and services by a specified date or forfeit the amount secured by the bond to the municipality.

The approving officer using his power under this section refused to approve the project as Cam-Kerr had not completed construction of services according to the specified date. Justice Hutcheon held that "the problem is illustrated in this case by an examination of the
draft agreements which each party prepared for the consideration of the other party." He also stated that "many of the clauses in each draft seemed reasonable and proper as for example that the owner of the land may be given an extension of time of the specified date if there is a delay which occurs without his fault." Under the power of sec. 98 (4) of the Land Registry Act the justice ordered that the plan be deposited. This case is not completely illustrative of the bargaining process but it does indicate that the conditions agreed upon are subject to variations in interpretation. If the agreement specifies every detail, it requires a considerable amount of time in order to meet the demands of the bargaining parties. If the agreement is vague, time can be lost in future court actions which turn on interpretation. The most severe hold-ups in the process of establishing servicing agreements will be revealed in the analysis of land use contracts in the review of zoning change procedures.

Stages VII, VIII and IX do not tend to impede the larger developers who are typically involved in this case of a major subdivision. If the developer has made application for registration while actually installing his services, the time required for completion will generally coincide with the time required for registration and issuance of a prospectus. If the case is one where the developer does not make an application to register his subdivision in the Land Registry Office, he might well be constrained by the procedure.

Analysis of Zoning By-Law Amendments Procedure

The procedure for subdivision approval which involves an amendment to a zoning by-law introduces a number of additional hold-ups.

Stage IV of the process requires a public hearing in order that
a zoning by-law may be amended. Public hearings can destroy a project or stimulate council to research a particular aspect of the project, hence increasing the delay or approval of the project. The method of conducting the hearing is perhaps the single most important variable. The municipality of Richmond has one of the best policies (see Appendix B-2). The hearing is held as closely as possible to a central location of the area affected. A member of the planning committee acts as chairman while a member of the planning staff outlines the area affected by the proposal and is available to answer technical questions or those of a non-policy nature. The developer is responsible for the introduction of his proposal to the public. In some municipalities the developer is not given the opportunity to speak and also, in many, the hearings are held prior to council meetings in council chambers.

A major problem with public hearings is that public participation generally provokes an adverse reaction initially. Politicians are very sensitive to demands of the residents of the municipality even if they are represented by a small group. In many cases there is the situation of expertise vs absolute inexperience. A major question is what right does an individual with poor understanding of the complexities of a project, have to reject a project using his limited skills. The major problem of the public hearing is the bandwagon approach. Citizens may have distinct objections to a project but may reject it by concentrating on one minor point. In many cases they are successful. The combination of inadequate expertise with political pressure has had numerous severe consequences for the developer.

The developer must also assume the responsibility of being aware of the general attitudes of the people. If he is completely ignorant of the general attitudes of the people, he can be forced
into a very time consuming position where slowdowns are inevitable.

**Analysis of Land Use Contracts Procedure**

The introduction of land use contracts in 1971 through sec. 702A of the *Municipal Act* has increased the time required to approve a subdivision as exemplified in the case of Surrey in chapter IV. The enabling legislation has tended to complicate the bargaining situation between the developer and the municipality. It also tends to increase the bureaucratic problems created by additional transfer of information between the various departments involved. The opportunity cost is generally considered with respect to the advantages to the municipality and not with regard to the impact of delays created by the system.

Sec. 702A (5) of the *Municipal Act* states that "the council may, through by-law, prescribe the procedure by which the municipality may enter into a Land Use Contract and the form on consideration of the contract." This enabling legislation puts the municipality in the attractive position of being one of two independent entities which are free to contract as they choose. This is a very important factor in the eyes of the law.

A municipality must always be careful of the function it carries out in a particular situation. The three main functions of the municipality according to William Lane, Professor of Planning in the School of Community and Regional Planning at the University of British Columbia, are the regulatory by-laws making function, the quasi-judicial function and the housekeeping function. The various forms of legislation which delegate powers to municipalities delegate these powers such that the municipality must exhibit a specific
function when using the power. From a legal point of view, the municipality must be consistent in performing these functions in the respect that when playing one role, it must not attempt to play another which would be classified as a different function unless there is enabling legislation which creates such a situation.

Sec. 702A (5) of the Municipal Act gives the municipality housekeeping power as well as legislative power. The municipality is allowed to use its legislative power to amend a zoning by-law as a condition upon which it may enter a contract with another entity. If the courts were concerned that a municipality was acting beyond its powers (ultra vires) they would review the enabling legislation. In this case, the enabling legislation introduces the magic word "contract" which implies that although the municipality has a responsibility when it exhibits its regulatory power to make regulations that are ascertainable, it also is found in the position where it is using its housekeeping power to make a contract that is favorable to the municipality. If the municipality draws up a land use contract and states that a developer had no choice but to sign it, this would remove the contract situation and create an entirely regulatory system which is not permitted under the wording of this legislation. The important conclusion that must be drawn is that the municipality is given a tremendous amount of freedom to set up requirements in the bargaining situation. When the courts see the word "contract", they see a situation of independent entities bargaining and not a situation of a municipality possibly standing on the limb of its regulatory power.

Sec. 702A (1) states the municipality shall have due regard for a number of considerations, including those outlined in sec.702 (2) of the Municipal Act. Sec. 702A (1)(b) which states the municipality
shall consider "the impact of development on present and future public costs" is an example. The enabling legislation permits contracts which can include very general considerations, as well as very specific ones, permitting an open invitation for municipalities to maximize the use of their housekeeping powers. The result is a more complex time consuming bargaining situation than that described with reference to the development agreements in the case of Richmond in Chapter V.

The use of land use contracts is a discretionary policy on the part of the municipalities. Many municipalities use land use contracts only for zoning changes which involve a very unique situation such as a zero-lot-line concept. Other municipalities employ land use contracts wherever possible. An example of the latter is Surrey. Statistics obtained from the municipality of Surrey confirmed the present use of contracts by this municipality. During the year of 1973 there were approximately 75 development applications processed through land use contracts. Approximately 359 applications were received in total. Almost 20% of the major applications have been processed through land use contracts. It is the opinion of consulting engineers and developers in this area that the approval process has been lengthened by an additional three months.

A solution to the time increases caused by the use of land use contracts could be found in a more specific legislative policy which would give more definite direction regarding the use of land use contracts. A further suggestion would be the introduction of standardized contracts which would specify the obligations of both parties to the contract hence reducing the loss of time when attempting to achieve an optimum situation.
Presently, municipalities generally require that the developer completes his servicing agreement with the municipality prior to council's review of the land use contract and recommendation for a public hearing. The problem with this system is that in certain cases the developer is risking considerable expenditures in view of the fact that a public hearing on a land use contract would prevent a project from realizing completion. A more equitable system would be one which provides for a public hearing regarding the land use contract to be followed by negotiations regarding rights of way and then by a servicing agreement. The major consideration is time. In the municipalities that offer options to the developer, the consensus is that the municipality is structuring the procedure such that a great deal of time is lost if the developer does not undertake the risk to carry through with a servicing agreement prior to public hearing of the land use contract. If the municipality conducted public hearings at a less elaborate stage of the process both sides would be better off. The public hearing could take place with less preparation required by the municipal and the developer's engineers. The actual drafting of the final plans and agreements established by the engineers of the municipality would be final steps and not redundant. With the present system the municipal engineer must review all of the plans before the council gives its final reading for the land use contract following the public hearing. If the alternative approach were used the municipal engineer would consider the plans only in preparation of the servicing agreement which when completed would be adapted to the land use contract and submitted for approval by council. An earlier stage of public hearing reduces the double steps and hence the paper work which amounts to unnecessary time.
The role of the municipal solicitor in preparation of land use contracts is also very important. The survey results suggested that in municipalities such as Surrey the municipal solicitor is overworked and cannot process the contracts within the required period of time. If land use contracts were standardized it would not be necessary to incorporate the time consuming detailed analysis of the solicitor required for approval of each contract. In the ideal situation the lawyer should be capable of quickly reviewing a standard format and forward it on. The case of Sur Del illustrated in Chapter II indicates the present problem quite clearly. The project was tied up by the activities of the municipal solicitor from the end of November until the end of January. One must account for the holiday season, however a few days should be the maximum time required at this stage of the procedure.

In conclusion land use contracts should not be ruled out entirely but improved particularly in respect of control. This is a responsibility of the provincial government. The contracts should be flexible but at the same time they should be ascertainable by specifying certain general limits which would prevent the efforts of municipalities to incorporate the ridiculous. One aspect that should definitely be limited is that of cash imposts. These should be standardized regarding the amount and the purpose of the impost. The preparation of the improved land use contracts should consider both parties very carefully so as not to jeopardize their future relative positions and responsibilities by the contract.

The problems of municipal subdivision approval delays are not entirely oriented around the planner's office, the solicitor's office,
or the municipal engineer's office. Chapter VII introduces a number of externalities which have an important role in the operation of subdivision approval procedures.
Footnotes

1 Wiesman, B. *A Course in City Planning, Zoning and Subdivision*. Vancouver, University of British Columbia, Faculty of Commerce & Business Administration, 1972, p. 100.

2 Wiesman, *op. cit.*, p. 100.

3 Controlled Access Highways Act, Sec. 4(2).

4 Land Registry Act, RSBC C.208, Sec. 101.

5 Land Registry Act, RSBC C.208, Sec. 105(1)

6 Land Registry Act, RSBC C.208, Sec. 105(2)

7 C. McCallister, *Development in Unorganized Territories*, Submitted to E. C. E. Todd, University of British Columbia, Faculty of Law, May 1971.


9 Piccadily Estates vs The Corporation of the District of Delta. No. X3889, In Supreme Court of B.C.

10 Piccadily Estates vs The Corporation of the District of Delta, *op. cit.*


CHAPTER VII

THE MUNICIPAL PROBLEM

The analysis of the subdivision approval process in Chapter VII definitely supports the argument that the production of serviced lots is retarded by the present systems of approval in many of the municipalities of metropolitan Vancouver. This conclusion may be related to the argument revealed in Chapter III that supply of building lots is approaching a relatively inelastic position as the number of building lots produced each year is decreasing relative to the increasing demand for building lots. The situation created is definitely one of an imperfect machet. The demand for building lots is rising while the supply is being constrained by government controls, one of which is the approval process. The problem however, is not one that can be solved by the municipality alone nor is it one created by the municipality alone. The scope of the analysis in Chapters IV and VI was very narrow concentrating specifically on the approval process within given municipalities. In order to comprehend the complexity of the situation it is necessary to consider a number of external factors which have tended to create the present situation.

The two broad areas concerned are the financial position of municipalities and the decision making process of the municipality. Many of the delays cited in the approval procedures discussed are oriented around the municipality's concern for reducing the cost of development relative to the municipal budget while other delays were
created by the problem of bureaucracy and the decision making policy of the municipality.

The Financial Position of Municipalities

The production of serviced lots for the construction of single family dwellings is not an asset to the budget of most municipalities in British Columbia. This fact has been confirmed particularly in the case of Richmond, B.C. A study conducted there found that "every single family house was a $250.00 a year deficit operation from a tax dollar point of view."¹ The cost of each additional single family dwelling in terms of additional costs such as school costs, sewage, hospital, transportation, recreation, environment, administration, all of which are generally derived by maintenance or addition of services required, are generally in excess of the revenues generated by the municipality. A brief review of several case studies conducted in the United States, gives additional evidence of this problem.

A study conducted by Louis Loewenstein on the Brookvale sub-division in Fremont, California, concluded that for every dollar paid by a resident in the form of tax the municipality paid $1.01 to service him.² This study involved a mixture of housing units, however, it was also found that single family dwellings produced half the revenues yet incurred 80% of the cost. In this county 72% of its total revenue was generated by property taxation. It is possible to relate this case to that of municipalities in British Columbia generally speaking as approximately 66% of the revenue generated by B. C. municipalities came from real property taxation in 1968.³ The conclusions of this study cannot be applied directly to the case of British Columbia
but do provide a good indication of the revenue generated by taxation of single family dwellings relative to the costs single family dwellings create.

A study conducted by Ruth Mace in three U.S. counties, North Carolina's Guilford, California's San Joaquin, and Middlesex, New Jersey, provides an example of a case which is quite representative of the position of many British Columbia municipalities. The results of a study which created a hypothetical subdivision in the Woodbridge Township in Middlesex County is quite applicable to the situation of subdivision in many B.C. municipalities. In Woodbridge the developers were required to pay all servicing costs including street improvement, water supply, sewage disposal and land dedication. Eighty-five percent of the total per capita school expenditures were financed locally. Tables 17 and 18 give information on the community and the subdivision involved.

Table 17. Population and Household Characteristics of Woodbridge Community on the Woodbridge Subdivision.

<table>
<thead>
<tr>
<th></th>
<th>Woodbridge community</th>
<th>Woodbridge subdivision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>95,530</td>
<td>281</td>
</tr>
<tr>
<td>Occupied Dwelling Units</td>
<td>25,654</td>
<td>76</td>
</tr>
<tr>
<td>Household Size</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Grade and High School Population</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>20,542</td>
<td>61</td>
</tr>
<tr>
<td>Per Dwelling Unit</td>
<td>.8</td>
<td>.8</td>
</tr>
</tbody>
</table>
Table 18. Property Tax Base for Woodbridge 1965-1966

<table>
<thead>
<tr>
<th>Actual</th>
<th>Assessed Valuation (millions of $)</th>
<th>Total, real and personal property</th>
<th>$ 232.4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assessment ratio</td>
<td></td>
<td>37%</td>
</tr>
<tr>
<td></td>
<td>Residential as a % of total</td>
<td></td>
<td>67.2%</td>
</tr>
<tr>
<td></td>
<td>Per capita assessed valuation</td>
<td></td>
<td>2,432</td>
</tr>
<tr>
<td></td>
<td>Per student assessed valuation</td>
<td></td>
<td>11,313</td>
</tr>
<tr>
<td>Tax Rates</td>
<td>County</td>
<td></td>
<td>.611</td>
</tr>
<tr>
<td></td>
<td>Municipality</td>
<td></td>
<td>1,759</td>
</tr>
<tr>
<td></td>
<td>School District</td>
<td></td>
<td>.233</td>
</tr>
<tr>
<td></td>
<td>Fire District</td>
<td></td>
<td>.69</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>5.39</td>
</tr>
<tr>
<td>Equalized</td>
<td>Total Assessed Value (millions of $)</td>
<td></td>
<td>628.1</td>
</tr>
<tr>
<td></td>
<td>Per capita assessed value</td>
<td></td>
<td>6,573</td>
</tr>
<tr>
<td>Tax rates</td>
<td>County</td>
<td></td>
<td>.226</td>
</tr>
<tr>
<td></td>
<td>Municipal</td>
<td></td>
<td>.651</td>
</tr>
<tr>
<td></td>
<td>School District</td>
<td></td>
<td>.862</td>
</tr>
<tr>
<td></td>
<td>All other</td>
<td></td>
<td>.255</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>1.994</td>
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Hypothetical subdivisions

<table>
<thead>
<tr>
<th>Assessed valuation (per dwelling unit)</th>
<th>Real property</th>
<th>7,400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7,400</td>
<td></td>
</tr>
</tbody>
</table>

Per dwelling unit property

| Tax yield | 371.73 |
It was found that for continuing operating and capital annual costs and revenues per dwelling unit for other than education services, revenues exceeded costs by $26 per dwelling unit. Per dwelling unit revenues for school purposes in the Woodbridge subdivision were short by $78 per unit on total costs of $246. The conclusions of this study relate the dilemma of the excessive cost of school services versus the revenue generated by the subdivision to the problem created when most of the public education support is derived from the local property taxes. The intention of introducing these studies is not to prove that such a situation exists in B.C. but to demonstrate the problem encountered by municipalities which have to generate a majority of their revenue from real property taxation.

In British Columbia the real property tax provided approximately 66.9% of the revenue for B.C. municipalities in 1968. According to the report to the Union of B.C. Municipalities, the proportion of municipal expenditures used for social welfare and education purposes is increasing relative to other expenditures. Between 1961 and 1969 expenditures on social welfare increased by 12% while government grants to social welfare decreased by 12%. The municipal expenditure for education as a percentage of property taxation for the same period increased from 38.2% in 1961 to 48.0% in 1969. The conclusion of the Report to the Union of B.C. Municipalities is that municipalities require an additional source of revenue. "As they did a century ago, municipal governments still rely on the yield from real property taxation as the principle source of revenue." The most critical aspect of the problem is not only the fact that revenue is limited but that the municipal taxation system is being increasingly eroded to finance the expanding needs of education and social welfare
services over which the municipal governments have no control. Education and welfare costs should be the responsibility of the provincial government and should not be recovered through municipal revenues. The provision of the necessary infrastructure required for municipal growth should become the responsibility of each municipality which should provide the necessary portions of municipal revenue to absorb these costs. This type of policy would create a more equitable situation by relating expenditures of municipal revenue to services over which the municipalities would have direct control. It would also reduce the cost of urban growth.* The pressures of financial problems have forced municipalities to undertake a number of measures to reduce the burden of residential development as provincial government policy regarding this problem has not been determined to date.

The present system of subdivision approval in most municipalities involves the use of imposts which are charges levied on the developer to pay for the increased public costs derived from the execution of a development. The effect upon the municipalities is that some of the additional costs created by a development are directed to the purchaser or tenant of the development rather than to the municipality and its taxpayers. Problems are created when the benefits do not bear a direct relationship to the costs exacted. "It may be argued that while streets, sewers, gutters, sidewalks, street lighting and hydro electric services should be financed on a direct cost-benefit basis, those services which the community as a whole

*The Budget speech by the Honourable Dave Barrett February 11, 1974 indicates that the Provincial Government is going to reduce the burden of the cost of education on municipalities.
demands, regardless of the benefit enuring to a particular individual, ought to be financed differently.\textsuperscript{16}

The use of imposts may offset short run costs but they will not solve the long run financial problem of municipalities. All of the services that are established by the developer are eventually going to require repairs or even replacement. Thus, if a municipality can determine that a development is favorable in terms of cost vs benefits in relation to municipal finances by using imposts, it is only deceiving itself in the long run.

A more equitable situation is created if the municipality forces the developer to the greatest extent possible to include servicing in his subdivision,\textsuperscript{17} but distributes the costs of development which are of benefit to the whole municipality among all taxpayers. Many people believe that when a developer pays additional impost charges he merely passes these costs on to the purchaser of a home by selling the house for a higher price and that as a result the home buyer "may pay more for his home both in the down payment and in his mortgage redemption installment"\textsuperscript{18} and "may conclude that he cannot afford a new house at all."\textsuperscript{19} This argument is false.

Chapter two introduced the concept of positive and negative leverage. If the price of servicing a lot increases by more than the increase in the market value of a serviced lot the result will be negative leverage on the price of raw land. If the cost of servicing increases by more than the market value of serviced land the developer will pay less for raw land. Thus the impact of imposts falls on the vendor of raw land and not on the purchaser of the serviced lot who will pay the market value for serviced land as determined by the market value.
for dwelling as explained in Chapter two. If the developer can't buy land at the lower price he won't develop it unless the selling price of serviced land increases by a greater amount than the servicing costs thus enabling him to pay more for raw land.

There are many methods of reducing the servicing costs of development. Marion Clawson provides an excellent example of achievements that can be made in reducing public and private costs for land servicing and development by clustering housing rather than permitting sprawl. He cites the case of the Columbia planned town development in Howard County, Maryland. "Contrasting the fully clustered with fully open settlement patterns the per family saving is $600 for land and over $2,400 for investment in public services." In the case of B.C. municipalities methods such as these do not alleviate the real problem.

The solution to the financial problems of B.C. municipalities lies in the introduction of a new policy regarding municipal finance. A balance must be struck between the cost of serviced land and the ensuing development which increases municipal costs and desire of the provincial government to reduce the rate of increase in the cost of housing. This is not the responsibility of the municipalities but that of the provincial government.

The present situation of a lengthening subdivision approval process is directly related to this situation. Municipalities such as Surrey caught by the rising costs of expanding residential development, have had to introduce imposts to temporarily solve the problem. The evidence of slowdowns in the Surrey process indicated that there was an additional cost to the introduction of such policy; projects were held up as the municipality determined its legislative and regulatory rights with regard to the introduction of the imposts.
and drafting of land use contracts to add further assistance in achieving a goal of reducing municipal costs while permitting expansion of residential development.

A very important assumption must be made before suggesting policies for the provincial government. British Columbia must be willing to accept a policy which does not restrict demand, but resigns itself to the fact that many new arrivals will come to the province for residence and they will be accepted. The problem must be put into perspective. If the government is not going to regulate demand by restricting the entry of new residents it must concentrate on increasing the supply of housing.

Policy Considerations for the Provincial Government

A number of policies which may be adopted by the provincial government and directed by the provincial government or delegated to regional boards are:

1. The provincial government must increase the financial capacity of all municipalities. The present real property taxation system in British Columbia is due for revision. Recommendations for a new property taxation system should focus on creating a supply of revenue that will enable the municipalities to fulfil their task of meeting the costs of growth.

2. The provincial government must determine the relationship between the developer and the municipality and the housing market, particularly with regard to allocation of costs for servicing raw land and the use of imposts.

3. The provincial government must supply funds to municipalities to increase the capacity of existing trunk water and sewer lines as
well as sewage treatment plants and water reservoirs.

4. The provincial government must also improve the approval process of authorities which have powers over municipalities regarding those certain land areas within municipalities. An example would be a new policy regarding the approval of land use changes in the flood plain areas of the province.

All of these policies, directly or indirectly, assist the subdivision approval procedure. If the provincial government fulfils its responsibility of assisting the municipalities with their aforementioned problems, there are still a number of considerations that must be made regarding the municipality before the problem of an impaired subdivision approval process is resolved. A municipality must operate a rational decision-making process. There are two specific areas of concern when effecting this goal: development of planning policy and the role of the municipal politician.

**Development of Municipal Planning Policies**

Development of planning policy may be interpreted on two levels: macro planning and micro planning. Macro planning may be defined as "budgetary control by way of a long term financial plan against which the timing of development may be measured but has not been employed as an integral part of the total planning process." Many municipalities have neglected to adopt or to maintain macro plans by satisfying short run demands without consideration for the long run. An excellent example is the case of Surrey and its introduction of imposts mentioned in the preceding analysis. The short run advantage to the municipality may very well be a long run burden in respect of maintenance of the services given the municipalities present financial
position and projected long run position. In many municipalities, the macro planning is actually effected at the micro level.

Micro planning refers to functioning of regulations and policies as an integral part of the planning process. The approval process functions as part of the micro planning system. A project may be stopped because it does not fit the zoning by-law requirements. A public hearing may be held and the project may be rejected as the people vote against it. However it is possible that the municipality may require the project to increase its tax base as the proposed development will provide a better use for the land. The project may be rejected on a micro level because it is going to change the use of the land which on a macro level is a burden to the municipality in respect that it is actually imposing the financial strain on the municipality which the higher density project could alleviate.\textsuperscript{23} The same situation may be applied to the process of subdividing land. The municipality must observe that micro planning policies do not interfere with macro planning policies. If a municipality has established its goals in this respect then the subdivision approval policy should function much more efficiently. The municipality can relate the impact of a development to its financial position as well as to its micro planning policy without the hesitation that is evidenced in the municipal decision process when the effects of a development are uncertain in the planner's mind and hence the risk of approving the project becomes too high and, thus, it is delayed.

The policy role of the planner is very important when considering the process of subdivision approval. The planner's role should be to reduce the rights of certain individuals in terms of the use of their land for the benefit of all individuals. The planner must
have a comprehensive understanding of the residential development process in order to achieve such a goal. An understanding of the actions, the attitudes of the owners, producers and consumers of residential land should be the basis for creating local public policies and implementing policies to influence urban residential growth.

The planner plays an important role regarding the distribution aspect of the competitive market system. In order for housing units to be allocated equitably the forces of supply and demand should operate as freely as possible. The planner introduces certain restrictions to the supply function as he determines which public services are being ignored by the activity of the market. An example would be inadequate roads. As the planner participates in the subdivision approval process he must contribute his expertise with regard to the role of the project in the existing stock of development in the municipality and the costs and benefits created. If the planner does not have an adequate understanding of the development process and the market activity and its demands, he acts as a burden to the system. In the case of B. C. municipalities the lack of comprehensive planning goals and understanding of the market tends to impede the process hence restricting the supply of housing as projects are delayed because of a lack of coordination of all the sources of information required by the planner to reach a decision regarding a project proposal.

The coordination of all sources of information is important in order to ensure the efficient operation of the approval procedure. The administrative check list in Appendix E is an example of one of the instruments which the planner may use to ensure that the approval
process is functioning as it should. It is the responsibility of
the planner to observe that a project is taken through the approval
process in as short a time as possible. The list is based on a
procedure used by Brian Porter, the Assistant Municipal Planner of
the District of Surrey and procedures illustrated in a number of
studies made in the United States. The responsibility of the planner
to relate particular projects to the growth of the municipality as
well as his responsibility to assist in the operation of the approval
process are not the sole determinants of the efficient operation of
the approval process.

The policy of the planner is not the determining factor re­
garding a project, it is merely a requisite of technical expertise
to assist in the democratic process established to confirm the fact
that the bundle of rights which are reduced or increased in the case
of one land use are considered in relation to the bundle of rights
of society in general.

"The municipality is a corporation, a legal entity with a
chairman, the mayor and a board of directors, the municipal council
which functions not to make a profit but to provide services. The
successful operation of a municipality depends upon efficient com­
munication plus a clearly delineated chain of command evolving around
fully documented council policy." The role of the planner is quite
clear regarding the approval process, however, his interaction with
the council providing the technical expertise required as a base for
political decisions as well as the political decision making process
itself, are even more important.
The Political Decision Making Process

The success of the political decision making process depends upon the relationship established between the council and its technical advisors. The case of Pitt Meadows is an example of a municipality which has a council that places full confidence in the expertise of its municipal clerk and the technical recommendations he assembles from the regional planner and others. The result is an efficient decision making process which produces results favorable for the council in respect of satisfying the service requirement to the community and also provides an efficient approval process which is not restrained by imperfections in the decision making process. "Unlike the technologist who uses his expertise to define and reach specific technological objectives the politician seeks to establish a consensus in the context of a large number of often conflicting pressures."\(^{27}\) In some communities, the pressures have induced the politician to actually adopt the role of technical advisor as he makes decisions based on his own expertise rather than that provided by those employed to provide such expertise. In situations such as this internal complications grow within the system. The planners resent the activities of the politicians and the council members mistrust the planners. Such an unstable environment also makes the advocacy of micro and macro planning policy very difficult as the politician has a strong voice regarding this policy.

The efficiency of the approval process depends very much on a project's degree of involvement with municipal councils regarding zoning amendments, land use contracts and development agreements and the level of communication which exists between the planners and
the council members. "The role of the politician should be one of providing a rational environment with full public disclosure in which the politician and professional can function as a team respecting each other's views and judgements." "Unfortunately many legislators operate on a rough and ready kind of rationality that deals with a tremendous number of variables."28 Thus the level of communication between the planner, developer and the politician can be strained and reduced according to a given situation. Thus, it is imperative that council policy be fully ascertainable and that as council fulfils its political function within the system it takes full consideration of the planner and his function as a representative of macro and micro policy and a chairman of the approval process and the developer as representative of the potential residents for the particular community.

In conclusion the delays created in municipal approval processes could definitely be reduced if municipal and provincial governments adopted policies which considered the impact of the aforementioned externalities on the subdivision approval process.
Footnotes


6 R. Mace, Op. cit. Table 4, Table 5.


15 T. J. Plunkett, Loc cit. p. 69.

17 S. W. Hamilton; R. Ratcliff. Suburban Land Development. Vancouver: Faculty of Commerce and Business Administration, University of British Columbia, 1972, PXii.

18 Citizens Research Institute of Canada. Subdivisions Story, p. 4.


CHAPTER VIII

CONCLUSIONS

The hypothesis of the thesis was divided into two major areas and one secondary area. The two major hypothesis were: Is the demand for residential dwelling units in excess of the supply in Metropolitan Vancouver? Is the time required for municipal subdivision approval in certain Metropolitan Vancouver municipalities increasing hence delaying the supply of residential building lots in these municipalities? The analysis of the supply and demand and prices of dwelling units particularly single family dwelling units proved that demand is in excess of supply. The analysis of four municipalities in Metropolitan Vancouver proved that the time required for approval of subdivisions has increased in certain municipalities and that this fact has also caused a delay in the supply of residential building lots in these municipalities.

A secondary hypothesis was: Are Land Use Contracts a constraint in the municipal approval procedure causing a delay which increases the time required for municipal subdivision approval? The analysis of Surrey municipality proved that the use of land use contracts may be directly related to delays created in the municipal approval process.

This thesis has concentrated specifically on the time required for municipal subdivision approval and the relevance of this situation to the supply of serviced building lots. Suggestions have been made
which would improve the operation of the process internally. There are however a number of important questions that should be answered before undertaking the task of improving the internal operation of the municipal approval process.

Areas for Future Research

A major limitation of this thesis as pointed out earlier, was that it did not identify the actual productivity of municipalities in terms of the approval of building lots relative to applications made. The thesis also fails to specifically determine the demand for residential building lots and the impact of supply of building lots relative to demand in specific municipalities. It is necessary to assume that a strong demand for residential dwelling units versus an inadequate supply of single family dwellings is indicative of a shortage of residential building lots. A very important area for future research would involve research regarding the actual production of serviced building lots in Metropolitan Vancouver municipalities relative to the demand for residential building lots.

Chapter VII identified the municipal financial problem and the co-ordination of technical activities with political activities as being critical with regard to externalities which create a burden upon the operation of the subdivision approval process. Research which identified the impact of comprehensive planning in terms of a macro financial plan and micro technical planning upon the operation of the process would be useful. If it could be proved that the financial problems in municipalities and poor methods of organization with respect to future goals and objectives are a cause of delays
in the production of serviced building lots the present problems would be in a much better perspective. If it was proved that this problem exists it would have to be solved before improvements could be made to the subdivision approval process.

The cases cited which indicate the problems of approval by provincial authorities indicated that the provincial government has a role with respect to the more favorable operation of the approval process. Research could test the hypothesis: Does the procedure of approval by provincial authorities delay the supply of building lots produced by municipalities? It is possible that provincial authorities are a significant cause of the delay of subdivision approvals. The cases cited in the thesis tend to suggest that such an hypothesis is true.

The municipal subdivision procedure is not the only cause of delays in supply of serviced building lots. Two other important aspects of the dynamics of the supply production process deserve future research:

(1) The assembly of raw land by the private developer or public developer,

(2) The construction process with regard to the servicing of dwelling sites.

The assembly of raw land is directly related to the capacity of supply to meet demand and is just as significant as delays in the municipal approval process regarding constraints on supply.
APPENDIX A-1

GENERAL SUBDIVISION APPROVAL PROCEDURE FOR PITT MEADOWS INCLUDING A ZONING AMENDMENT *

Stage I - Preparation for Preliminary Application

The developer must consider his project in terms of the comprehensive plan provided by the municipality. The plan designates all areas of potential development and those where residential development is not permitted. A majority of the land is not permitted to be developed into subdivisions as these areas are in the flood plain. The developer must also note that he will probably have to make an application for a zoning change as most of the potential areas for subdivision development are zoned for suburban development which permits subdivision into one-half acre parcels. Urban zoning permits subdivision into lots containing 7200 square feet which are much smaller permitting a larger number of lots per acre and hence more money in the developer's pocket. The subdivider prepares a tentative subdivision plan based on these considerations.

Stage II - Application for Preliminary Approval
1. The subdivider submits his tentative plan to the municipality. The municipality forwards the plan to the Dewdney Alouett Regional District planning service which provides a regional planning service for the smaller municipalities within its region. The plan may spend two to three weeks with the planning service as recommendations and comments are made.
2. The plan is returned to Pitt Meadows and goes before a planning committee which is composed of two aldermen and the municipal clerk.

*Based on interviews with municipal clerk and consulting engineers.
3. Recommendations of the planning committee and those of the regional planning service are attached to the tentative plan and submitted to municipal council.

4. If the plan is approved in principle it is processed for re-zoning from sub-urban to urban according to the municipal by-law enabled by Sec. 703 of the Municipal Act, which requires two readings by council, a public hearing (advertised twice in the local paper), and a third reading by council at its next session, following the public hearing. In the case of Pitt Meadows the third reading is not given until final engineering drawings are complete.

5. If the tentative plan requires approval from a higher level of government as would be the case if the project involved the flood plain, the highways department, or lands in the agricultural reserve, the council would obtain authorization from the particular authority before passing a new zoning by-law.

6. The council generally phases major subdivisions involving 40 acres or more by permitting the subdivider to develop a portion of the land in one stage and upon completion and approval of that stage he must make application to develop the following stage. In some cases three or four stages may be established.

   The total time that elapses on the average for Stage II is 6 to 8 weeks depending upon the nature of the development and/or the number of council meetings required to consider relevant facts.

Stage III - Preparation of Final Plan

Assuming that the council approves of the zoning change and the principle of the subdivider's preliminary plan the subdivider can commence preparation of a final plan.

1. A legal survey of the subdivision is conducted by a registered
B. C. surveyor.

2. The developer's consulting engineer prepares his final drawings with lot lines, roads, grades, etc. in conjunction with the legal survey.

3. If the subdivision involves the flood plain and requires fill to raise the geodetic rating to the standard prescribed by the provincial government the actual physical work must be done before the subdivider can go any further. A legally documented survey showing the new elevation must be approved by the regional district which in turn will amend the flood plain plan relieving the subdivision from this classification.

4. The consulting engineer of the developer must apply to the Pollution Control Board of the provincial government for a subdivision approval certificate if the subdivision directs storm sewers to a creek or river. The certificate outlines the portion of the subdivision's collection system which contributes to a particular outfall point. If the capacity of an outfall point cannot handle the subdivision the developer must improve the capacity according to the demands of the pollution control branch before the permit will be issued.

5. The consulting engineer of the developer must also send specifications of the subdivision plan to,

   i. The B.C. Hydro
   ii. B. C. Telephone (and cablevision)

6. The developer must also obtain easements from adjoining property holders (if necessary) on behalf of the municipality. Sec. 711(3)(c) of The Municipal Act requires that the subdivision not make impracticable future subdivision of adjacent lands.
7. The by-law is generally given third reading once the subdivider has completed his final engineering plans according to the requirements of the municipal engineer and other bodies of authority such as the regional district in the case of the flood plain.

Stage IV - Preparation of Development Agreement

1. Pitt Meadows uses a standard form of development agreement. The municipal engineer enters the appropriate figures specifying in detail the reasons for required deposits of the subdivider. The development agreement is based on the engineering drawing and refers to them by number.

All of the monies required of the developer are listed in the agreement.

2. The municipal lawyer reviews the agreement.

Stage V - Final Approval

The subdivider has two choices.

1. He can accept a development agreement and provide the required monies as security to the municipality against his commitment to install all of the specified services.

2. He can install all of the required services which must be inspected by the municipality when completed so that he can have his subdivision plan approved according to Sec. 88 of the Land Registry Act making it eligible for deposit in the Land Registry office. This approach involves the loss of time in the respect that the developer cannot register his subdivision plan until all services are completed and meet municipal standards.

The first choice is most common and is outlined as follows:

(1) The developer submits his final subdivision plan to the municipality.
(2) The developer brings a certified cheque for the cost of services for the first stage of the project (if the project has been staged in the respect of the number of lots permitted to be developed). The cheque must also include payment to cover the costs of the municipality both legal and other, that have been absorbed by the municipality and are now indicated to the developer.

The municipality generally releases the money placed as a guarantee for services as the services are completed (usually 2 months after completion). The municipality retains 5% of the cost of servicing as a security against one year of maintenance of the services after completion which is to be provided by the developer.

(3) The development agreement is signed.

(4) The suburban zoning is formally rezoned urban residential.

Stage VI - Application for Registration and Prospectus

1. The developer can now make an application for registration of his subdivision in the Land Registry Office. This is the main advantage of the first choice as the developer is installing services while the registration is being processed.

2. The developer can also file for prospectus while the services are being installed.
Stage I - Preliminary Discussion with the Planning Department

1. This informal meeting provides the developer with basic information regarding the municipal attitude towards his project and the procedure required for the formulation of a preliminary draft plan.

2. The plan must be consistent with existing zoning (if not a zoning amendment application must be filed).

3. The plan must be consistent with the capacity of existing services. (If they are not capable of handling the project the developer should determine the expense involved in increasing the capacity as this will probably become an offsite cost to the developer.)

4. The plan must be consistent with the official community plan or regional plans if they exist, or amendments will have to be made.

Stage II - Submission of the Preliminary Draft Plan for the Proposed Subdivision

1. The draft plan must be submitted in the form of:

   (i) 15 white or blue paper prints
   (ii) 1 tracing plus a fee of $10.00.

2. The draft plan should show:

   (i) Layout and alignment of all proposed streets and lots
   (ii) Spot levels in approximate centre of each lot or parcel at the intersections of any proposed roads with existing roads and at 50 foot intervals along each proposed road in the subdivision.
   (iii) An indication of extent and boundaries of any land owned by the same owner adjacent to lands being proposed for subdivision.

*Based on interviews and materials supplied by Richmond Planning Department.
iv. Location, dimension and uses of any structures existing on the land being proposed for subdivision.

3. Submission must be accompanied by:

(i) A certificate of encumbrance.
(ii) A completed form entitled "Application for Approval of a Plan of Subdivision".

4. Plan is amended where necessary by the Planning Department and circulated to the following departments for recommendations. (The date of mailing the application to a particular department is recorded and the date of receiving of the recommendations from each department is recorded.) Only departments that would be affected by the proposal are notified.

(i) The Advisory Planning Commission
(ii) The Municipal Treasurer
(iii) Board of School Trustees
(iv) Municipal Building Department
(v) Municipal Engineering Department
(vi) Public Utilities Companies
(vii) C.M.H.C.
(viii) Municipal Council

5. The approving officer determines whether or not the plan can proceed and notifies the developer.

6. If the project is approved in this preliminary stage the municipal engineer must provide a preliminary estimate of the cost of servicing the subdivision. The subdivider must pay a fee of 6% of this estimate to cover the cost of the preparation of a final plan by the municipal engineer.

The process of Stage II requires approximately 3 to 4 weeks in an average project.

**Stage III - Preparation of Final Plan**

1. The developer may hire his own consulting engineer or let the municipal engineer prepare designs in accordance with standards specified by the municipal engineer. The municipality prefers the
latter approach.

2. The developer must enclose the 6% administration fee in cash or certified cheques.

3. A legal ground survey as well as a description of easements, rights of way, and restrictive covenants is prepared by a registered B. C. surveyor.

4. Designs are sent to B. C. Hydro and B. C. Telephone regarding types of wiring and method of servicing lots.

5. A final detailed estimate of the costs of the works is prepared.

6. The municipality requires a surety guarantee in respect of the services being installed.

   (1) a. If cost of work is $10,000.00 or less:

      A certified cheque in the amount of 50% of the Municipal Engineer's final estate is required. This may be retained until 60 days after the last certificate regarding the state of the work has been issued by the Municipal Engineer or held until all outstanding accounts with the municipality are paid.

   b. Where the cost of the work exceeds $10,000.00

      i) A certified cheque for the first $5,000 of 50% of the estimated cost, which may be retained until 60 days after the last certificate regarding the state of the work pending approval of the Municipal Engineer and passing by council, or held until all outstanding accounts with the municipality have been paid, together with: A Performance Bond, Letter of Credit, or Bank Deposit receipt (usually costing 1%) in the amount of 50% of the final estimated cost less the $5,000 paid in cash. Upon completion of the work a portion of the bond covering 15% of all costs of the work will be retained for 1 year from the date of the Engineer's final Certificate of Approval.
ii) By Cash

If developer wishes he may draw cheques in the following manner to facilitate refunding as the engineer certifies completion of each part of the work:

- 35% of final estimated cost of sanitary sewer
- 35% " " " " storm sewer curb
- 35% " " " " sidewalks road
- 35% " " " " paving roads
- 35% " " " " completing sidewalks
- 35% " " " " street lighting

(2) If developer does not wish to do above he may not post guarantee. He must however, install services to the specifications of the municipal engineer. The final subdivision plan cannot be registered until the municipal engineer certifies that the installation of the services is completed. A developer cannot file a prospectus until this plan is registered. The issuance of building permits which cannot be issued until subdivision is registered would be delayed.

7. The subdivision contract is discussed with the municipal solicitor.

The process of Stage III requires approximately 6 to 9 weeks.

Stage IV - Preparation of Development Agreement

This is the bargaining stage between the developer and the municipality regarding services and fringe benefits required in the development agreement.

1. The municipality drafts the development agreement and presents it to the developer.

2. The developer returns to the municipality the duly executed development agreement which is then presented to council and then executed on behalf of the corporation if approved.
Stage V - Final Approval

The developer submits final linen transparencies and prints of the survey plan to the municipal hall. These should be accompanied by 6 paper print copies and the following:

a) Certified cheques and/or bonds, letter of credit or bank deposit receipts as security for servicing if this method used.

b) A receipt from the municipal treasurer and collector certifying that current taxes have been paid in respect of the property being subdivided.

c) A receipt from municipal treasurer certifying payment of any other charges notified to the developer.

d) A plans approval fee of $2.00 accompanied by one paper print stamped "return to Richmond Planning Department". (This plan will be deposited in the Land Registry Office and returned to Richmond so that building permits can be issued.)

Stage VI - Registration in Land Registry Office and Filing for Prospectus

Same procedure for all municipalities. Refer to Sec. 88 of the Land Registry Act.
APPENDIX B-2

SUBDIVISION APPROVAL PROCEDURE FOR RICHMOND WHEN AN AMENDMENT TO A ZONING BY-LAW IS REQUIRED

Stage I - Preliminary Discussion with the Planning Department
The process is the same as that outlined in the general procedure for Richmond.

Stage II - Preparation of the Preliminary Draft Plan for the Proposed Subdivision
Submission of the preliminary draft plan must be accompanied by an application for rezoning with the following supportive material in triplicate.
1. A drawing or sketch drawn to scale based on a B. C. Land Surveyor's survey, showing the true shape and dimensions of the property, together with the location, type and dimensions of all buildings and structures on the property and also showing the approximate location and usage of the nearest buildings or adjacent lands.
2. If the application is made on behalf of a number of owners the application forms should be accompanied by a petition (in triplicate) signed by each owner and showing the legal description of each property.
3. If plans of any proposed development of the property are already prepared these should also be submitted (e.g. architect's preliminary sketches, proposed subdivision plans, etc.)

Stage III - Submission of the Preliminary Draft Plan
1. When the municipal clerk has received the application he forwards it on to the Planning Department and the Advisory Planning Commission.
2. The recommendations of these bodies are attached to the application and presented to council.

3. If council approves of the application in principle it may authorize preparation of an amending by-law.

4. The amending by-law is given two readings and the date for a public hearing is set according to Sec. 703 of the Municipal Act.

5. The public hearing is informal and organized as follows:

   a) The limits of the area "affected" by the proposal will be determined by the Planning Committee, and the residents within the defined area will be notified by the Planning Department;

   b) Held in central location in area affected;

   c) Planning committee chairman or member of the committee will act as chairman and conduct the hearing. No decision will be made until after the hearing;

   d) A member of the Planning Department's staff will attend, outline the area affected by the proposal, and on request, clarify any matters of a technical, non-policy nature;

   e) The proposal will be explained to the neighbourhood residents by the developer;

   f) It is anticipated that informal public hearings will be reduced as the municipality determines its development goals (3 hearings on one project are not uncommon).

6. If the zoning amendment involves land use that is under the authority of a government body other than the municipality approval from this body must be obtained.

7. During the process of public hearings the subdivider must bargain with the municipality regarding conditions he must meet to achieve a rezoning. These conditions are drawn up in the development agreement. In the case of a zoning amendment involving a complex project the municipality generally demands formal engineering drawings prior to public hearing. If the zoning amendment does not involve a complex situation the developer may not have to go to a great deal
of expense regarding preparation of final engineering drawings before a public hearing. The attitude of the municipality is to minimize the risk to the developer. Depending on the situation the subdivider may find that he is at any one of a number of positions in the process following the public hearing. In a complex project he will probably be at the stage of final approval as outlined in the general procedure. A rezoning amendment can require 8 weeks up to 2 years depending on the circumstances.

N.B. Richmond very rarely uses land use contracts in zoning by-law amendments. A major subdivision would never involve a land use contract unless the project involves a combination of single family dwellings and multi-family dwellings. The subdivision by-law of Richmond permits 10% of land which is in excess of 50 acres to be used for multi-family development in the cases of single family dwelling subdivisions. In cases where developers wish to build more multiple family units or vary the zoning regulations land use contracts may be employed.

Stage VI - Registration and Prospectus

Same procedure for all municipalities.
APPENDIX C-1

GENERAL SUBDIVISION APPROVAL PROCEDURE FOR THE DISTRICT OF COQUITLAM*

Stage I - Preliminary Preparations
1. The developer must consider his project in terms of the comprehensive plan provided by the District of Coquitlam.
2. Preliminary discussions with the Planning Department should be held to establish the feasibility of the project.
3. A draft plan must be prepared indicating layout of proposed streets and lots including spot levels in the approximate centre of each intersection of proposed roads.
4. A certificate of encumbrances must be provided.
5. The owner of the land in question must be identified.

Stage II - Submission of Preliminary Application
Application for preliminary approval is made to the Planning Department.
1. The subdivision committee reviews the application.
2. The major departments involved with the preliminary application are the Engineering, Health, Building Departments and Planning Department.
3. The Engineering Department requires preliminary engineering designs based on the Planning Department sketch laid out in the master plan but providing more detail such as roads, centre lines and grades.
4. The subdivision committee approves the preliminary plan subject to recommendations made by the various departments and subject to the Subdivision Control By-law 1930, as well as any other require-

*Based on interviews with the Engineering Department and the Planning Department.
ments such as easements, etc.

Total time for Stage II is approximately 5 weeks.

Stage III - Preparation of a Final Plan

1. The developer's consulting engineer prepares the formal engineering plans subject to recommendations of the municipal engineer.

2. The legal survey of the subdivision is conducted by a registered B. C. surveyor.

3. If the subdivision requires the use of certain streams or rivers for storm sewer drainage the Pollution Control Board of British Columbia must be notified according to the same procedure as outlined in the Pitt Meadows process.

4. The Greater Vancouver Sewerage and Drainage District and the Greater Vancouver Water Board must be consulted regarding the subdivision's involvement with trunk lines of sanitary sewers and water mains. These boards must authorize the subdivider to carry out any off-site servicing involving these services.

5. If the subdivision is in the flood plain the procedure outlined in the Pitt Meadows process must be followed.

6. The developer must pay an inspection fee of 4% of estimated construction cost as calculated by the consulting engineer of the developer and approved by the municipal engineer.

7. The developer must arrange for an insurance policy for all servicing that he will undertake. (The policy is reviewed by a private firm employed by the District.)

8. Specifications of the subdivision plan must be sent to the B. C. Hydro, B. C. Telephone and cablevision.

9. The developer must also obtain all necessary easements from adjoining property holders on behalf of the municipality or his
subdivision.

Total time for Stage III is approximately 6 weeks.

Stage IV - Preparation of Performance Bonds

The current planner prepares a draft agreement describing all of the requirements that the developer must follow. The signature of the developer on a performance bond provides the security to the municipality that the services will be installed. The procedure is as follows. Note: The developer has the same choices of action as exist in Pitt Meadows. For this example we will assume that the developer is willing to post security as a guarantee for services rather than complete services before getting approval.

1. The developer must provide funds in the form of bonding which must be cash if the amount of the required security is less than $100,000. The amount is determined according to the cost of servicing as estimated by the developer's consulting engineer and confirmed by the municipal engineer.

2. In lieu of cash the developer may give the municipality a bank certificate of deposit of the monies in a particular account or parity bonds but the amount of these monies must be based on 110% of the estimated cost of the works rather than 100%.

3. If the amount is greater than $100,000 the municipality will accept an irrevocable letter of credit.

4. The municipality will refund these monies upon completion of the services subject to inspection. However 50% of the bonding is retained for 1 year to guarantee maintenance of the services for 1 year by the developer.

5. All monies go to the municipal treasurer. The agreement is signed and sealed in the name of the developer on the same day as
presentation of bonds.

Stage V - **Final Approval**

The basic requirements of the subdivision by-law 1930 must be met before final approval is given.

1. The developer must sign a declaration form assigning all services to the district.

2. The developer must provide funds to cover inspection fees of his completed services.

3. The District of Coquitlam installs all water mains. The developer must pay a flat rate for such installations.

4. If there are any services that were not feasible to install at present but will be required in the future the developer must pay a flat rate for these services which the district will install at the proper time.

5. The agreement between the municipality and the developer must be signed.

6. All conditions of Sec. 88 of the *Land Registry Act* must be met in order that the approving officer may fulfil his duties.

7. Subject to the approval of all departments and a review of the final subdivision plan by the Engineering Department the approving officer who is the municipal engineer in this municipality signs the subdivision plan.

Stage VI - **Registration and Prospectus**

Developer may register the subdivision plan and file for prospectus. The procedure is the same for all municipalities.
APPENDIX C-2

SUBDIVISION APPROVAL PROCEDURE FOR THE DISTRICT OF COQUITLAM WITH A ZONING BY-LAW AMENDMENT

Stage I - Preliminary Discussion with the Planning Department

The procedure for Stage I is the same as that outlined for the general procedure for the District of Coquitlam. The developer must obtain an application form for a zoning by-law amendment from the Planning Department and submit it with a non-refundable application fee of $35 when he makes his preliminary application for subdivision approval.

Stage II - Process of Review of the Preliminary Application
1. The planning director reviews the application in respect of the community plan and forwards the application to the Advisory Planning Commission.
2. The Advisory Planning Commission considers the application and refers it to its various committees for further analysis if necessary. The Advisory Planning Commission meets in the council chamber of the municipal hall at 7.30 P.M. on the first and third Wednesday of each month. The developer is notified of the date when the subdivision will be reviewed by the Advisory Planning Commission and is advised to appear before the Commission to present any additional information that may help advance the application.
3. The Advisory Planning Commission at the completion of its review makes recommendations to council.
4. The council reviews the advice and recommendations of the Advisory Planning Commission and the Planning Directors Report and
decides to:

a) Indicate agreement in principle with the application subject to the applicant supplying additional information;

b) Decline the application;

c) Refer the application back to the Planning Director and/or the Advisory Planning Commission for further study.

Stage III - The Amendment of the Zoning By-Law

The developer may assemble additional information in order to achieve acceptance of the application by the council. In many cases the council will permit drafting of an amending by-law which in due course is referred to a public hearing as the developer moves into the stages of preparation of final plans. For purposes of this example assume that the council approves in principle with the zoning amendment and has given direction to have an amending by-law drafted.

A public hearing date is established according to the rules of Sec. 703 of the Municipal Act. Following the public hearing the council will either,

a) Give further preliminary consideration. This requires three readings to the amendment by-law.

b) Decline to give further consideration.

Assuming that council gives three readings to the by-law amendment the developer now moves into the fourth stage of the general process previously outlined providing he has met all the requirements of the third stage which involves preparation of a final plan.

Stage IV - Preparation of Performance Bonds

When the developer provides the necessary funds for bonding and the municipal treasurer has received these funds and the agreement between the municipality and the developer is signed and sealed in the name of the developer the planning director reports to council
that the by-law can be recommended for final adoption.

Stage V - Final Approval

1. The planner recommends that the agreement be approved by council once he is assured that all provisions are acceptable. The Engineering Department must review the final plan to confirm that all right of ways, easements and other requirements are provided according to demands.

2. The council then approves the agreement and adopts the amended by-law after considering all relevant matters.

Stage VI - Registration and Prospectus

The developer can now commence servicing and make applications for registration of the subdivision at the Land Registry Office and apply for a prospectus.
APPENDIX D-1

GENERAL SUBDIVISION APPROVAL PROCEDURE FOR THE DISTRICT OF SURREY*

Stage I - Informal Meeting

1. Informal discussions between developer and technical and professional staff of planning office regarding feasibility of the project and existing planning regulations.

Stage II - Preparation of Preliminary Application

1. Formulation of Rough Draft plan.

The developer fills in a standard one page application form in duplicate providing the following information:

a) Draws proposal to scale of 1" = 200' noting the existing and proposed property dimensions.

b) Gives distances of all principal buildings from existing property boundaries.

c) Shows all adjacent roads and properties.

d) Shows any existing house numbers.

e) Colours roads and lanes to be built in red or orange.

f) Outlines the property involved in the subdivision in blue or green.

2. A non-refundable service charge of $5 per lot being applied for or a minimum of $10 whichever is greater is presented upon application.

Stage III - Processing of Preliminary Application by the Municipality

The developer files the application with the Planning Department. The application is received by the technical personnel of the Planning Department and all information from the application is

*Based on interviews with the Planning Department and Consulting Engineers.
recorded on a subdivision record sheet. The application receives a file number and a subdivision record sheet is completed as follows:

1. The ownership of the property in question is confirmed through the Assessment Department or the Land Registry Office. If the owner listed in the application is not in these files the developer is notified and required to submit proof of ownership. (Note that cases exist where holding companies do not wish to reveal the ownership of the land. In order to proceed the Planning Department requires absolute proof, a deed if necessary.)

2. The proposed development is checked regarding: a) the agricultural land reserve, b) intended use related to zoning, c) sewage disposal (sanitary sewer or on site), d) easements or rights of way existing or required, e) section 712 of the Municipal Act regarding frontage relaxation (if non-conforming it requires approval of council).

3. Comments are made by the Planning Department - these are related to the Surrey Development by-law and the subdivision by-law.

4. Comments are also obtained from other departments and divisions where relevant.

   Parks - Planning Department and its comments regarding priority
   - Parks and recreation division and its comments

   Schools - Planning Department
   - Property Department
   - School Board

   Land/Road Closures or Exchanges
   - Planning Department
   - Engineering Department
   - Memo to the municipal manager council regarding approval
   - Memo to the Property Department
   - Highways Department

5. A special form (P.S.27) is dated and sent to the Engineering Department. This form notes planning comments and existing services.
The Engineering Department confirms existing services and lists required services regarding water, sanitary sewer, storm sewer, internal roads and external roads. Other services or additional comments are noted. This sheet also bears all impost charges which are multiplied by the number of lots. The general areas are non-arterial roads, arterial roads, drainage, water, public land, sanitary sewer installation cost, sanitary sewer connection fee, water rates, and other. Engineering dates the form when completed and returns it to Planning Department.

6. Where applicable other agencies are sent a letter providing relevant information regarding the project:

Department of Highways
B. C. Hydro
Fisheries
Others

7. If the application appears feasible a field inspection is conducted. The technical planner notes location of the existing services, checks for gravel sidewalks, location of buildings, etc.

8. A letter is then drafted noting the requirements upon the developer or conditions necessary for approval of the developer's application form (PS-32). This letter includes requirements laid out by the Engineering Department. The letter goes to the supervisor of the Technical Planning Department for approval. After the typing of the letter it is sent to the supervisor once again with an attached copy of the application. The letter is then forwarded to the director of planning for a signature. The director of planning will make any changes he feels are necessary. Once signed the letter is sent to the developer.

9. The letter notifying the developer of preliminary approval of
his subdivision includes impost charges. The standard ones are:

1) Non arterial road impost, $650 per lot, abutting an existing roadway "which is not constructed to present municipal standards, and which is not required by the municipality to be upgraded by the developer as part of the subdivision or development works."

2) Municipal arterial roadway impost, $200 per lot, for the purpose of defraying the excessive costs to the Municipality required "for the upgrading and improvement of highways in the municipality made necessary by the increased population and traffic density created by subdivisions and developments."

3) Down stream drainage facilities, $300 per lot, "for the purpose of defraying the excessive cost to the municipality of providing funds required for the upgrading and improvement of drainage facilities made necessary by the increased flow created by subdivisions and developments. In the event that the subdivider or developer elects to upgrade the municipal drainage system downstream from the development (no developer shall discharge any drainage water into any municipal drainage system where such discharge will overload the capacity of any part of the municipal drainage system) the municipality will contribute to the cost of the excess capacity, an amount not in excess of the drainage impost received from the developer."

4) Trunk and supply water main facilities impost, $150.00 per lot, for the purposes of defraying excessive costs to the municipality of providing funds required for the upgrading and improvements of

*Municipal Development Policy as amended to December 10, 1973.*
main trunks and supply facilities of the water works system.

5) Public land impost for the acquisition of public lands will be $905.00 per unit or additional lot created

Thus a developer is required to pay a minimum of $1,555 per unit or additional lot created plus additional off-site costs created by a particular case.

Total Time. If the project conforms in every way to the control plan and there are few problems this portion of the process will take 3 months. If the application involves complexities it may require 4 or 5 months.

Stage IV - Preparation of the Final Plan

Subject to the requirements listed on the approval of the preliminary application the developer has 90 days to proceed with an application for final approval. If he fails to meet this 90 day requirement he must start all over again.

1. The developer gives the letter he received from the Planning Department to his consulting engineer for a preliminary cost analysis.

2. If the project still appears feasible the consulting engineer of the developer prepares detailed drawings on the basis of the requirements laid out by the municipal engineer. This process can take two to three months depending on the familiarity of the consulting engineer with the engineering system and requirements of the municipality. The process is lengthened according to the number of meetings held between the consulting engineer of the developer and the municipal engineer.

3. A legal subdivision survey must be conducted by a registered B. C. surveyor.

4. The final plans of the consulting engineer are submitted to
the municipal engineer for revisions. This step may re-occur several times.

5. After final revision and approval of the plans by the municipal engineering department the servicing agreement is prepared. (The servicing agreement contains all of the detailed engineering plans approved by the municipal engineer and also indicates the costs of installation of services and stipulates all requirements.)

6. The developer must request the servicing agreement which is partially created during the interactions of the developer's engineer and the municipal engineer in preparation of the final plan. (The Planning Department is not involved in the drafting of the servicing agreement.)

7. Providing that all approvals regarding matters beyond the authority of the municipality (flood plain approval, department of highways, etc.) are obtained where required the developer can enter the stage of final approval.

   **Stage V - Final Approval**

1. The developer must sign the servicing agreement and provide all monies (cash, certified cheque or letter of credit) required in the agreement (note bonding is similar to that of Coquitlam).

2. All rights of ways, documents and easements must be noted.

3. The developer must pay outstanding property taxes and make a deposit for those property taxes of the succeeding year if application for approval is signed between September 30 and December 31.

4. An inspection fee of 1% of assessed land value of the property must be paid in full.

5. A subdivision approval fee of $10.00 must be paid.

6. The municipal engineer must review the survey plans and note
whether they agree in layout with those approved in preliminary approval plus amendment letters.

7. Council gives final reading to the agreement subject to any considerations it may wish to take.

8. The application for final approval is executed by the clerk and the mayor.

9. The approving officer signs the plan subject to the conditions required by Section 88 of the Land Registry Act.

Stage VI - Registration and Prospectus

Developer may now make an application to register his subdivision and file for a prospectus.
SUBDIVISION APPROVAL PROCEDURE INVOLVING A CHANGE IN LAND USE IN SURREY

Sec. 702A of the Municipal Act is the enabling legislation which gives the municipal council the right to enter into a contract with the owner of a parcel of land concerning the use of that parcel of land if it is located in a "development area". The municipality must designate areas of land within a zone as "development area". Surrey has proclaimed development areas in four urban growth areas. Since major subdivisions generally require changes in land use almost all of them are processed through land use contracts. Sec. 702A(8) of the Act states that "nothing in Sec. 702A restricts the right of an owner to develop his land in accordance with the regulations of the municipality applying to the zone in which the land is situated who does not enter into a land use contract with the council." The potential areas for subdivision development are generally governed in a suburban classification which does not permit the required number of divisions of an acre of land to make a project financially feasible for the developer given present market conditions.

The procedure followed is the same as the general procedure outlined for Surrey up to the stage of preliminary application (Stage III).

Stage III - Process of Review of the Preliminary Application by the Planning Department

1. The Planning Department conducts a preliminary review similar to the procedure in the general procedure outlined.
2. The Planning Department refers the application to the Advisory
Planning Commission which is composed of 16 Surrey residents appointed by council from local areas to make recommendations on all change of use applications.

3. The applicant may be called before the Advisory Planning Commission to describe his proposal.

4. Recommendations of the Advisory Planning Commission and those of the Planning Department are attached to the application and presented to council who by a two thirds vote either approve the application to proceed, table or reject it. This is not an approval in principle but merely an approval to permit the further processing of the application.

5. The subdivider must provide subdivision plans to the Advisory Design Panel which is composed of 10 members appointed by council to make recommendations on design of commercial, industrial and apartment applications. (The Panel does not generally make recommendations regarding subdivision layout but does give tentative approval of lot layout.)

6. The subdivider must inquire of the Engineering Department with regard to the engineering requirements.

7. Once tentative approval of lot layout is given, the Land Use Contract can be prepared by the planner, development engineer and municipal solicitor. The form of the contract depends on the developer's choice of the following 2 options.

   **Option 1.** If the developer feels relatively secure that his proposal will be accepted at a public hearing and approved by council he may move into Stage IV by having his consulting engineer prepare the final draft of the subdivision plan. The Land Use Contract will be drawn up in conjunction with the engineering agreement which
contains full engineering requirements together with all security bonding amounts, fees and imposts. If the project is rejected due to the public hearing the developer loses all the money he has spent thus far including the fees of the consulting engineer. Although the actual drafting of the Land Use Contract will take a little longer because of the time needed to prepare the engineering agreement this option is the faster one.

Option 2. If the developer feels that his project is contentious and that he can afford to spend more time in the process of approval he can request a contract based on general engineering requirements and impost charges. The advantage of this step is that the engineer's plans do not have to be prepared in a final plan form. The developer can wait until the public hearing regarding the Land Use Contract, is held. The contract drawn up will make reference to a subsequent agreement dealing with specific engineering requirements, fees and engineering security bonding amounts. The developer cannot move on to Stage V which is final approval, until this agreement is executed. The major disadvantage of this option is that the time spent waiting for the public hearing could be used to draft the final engineering plans and the engineering agreement. This step requires at least 30 to 60 days depending upon the consulting engineer of the developer and his experience in the municipality and depending upon the efficiency of the municipal engineer in drawing up the engineering agreement. The time involved in preparation of a public hearing according to Sec. 703 of the Municipal Act will involve at least 3 weeks to a month.

We will assume that Option 1 is carried out.
Stage IV - Preparation of Final Plan

The final plan is prepared and the engineering agreement executed according to the procedure in the general process.

1. The Land Use Contract proposal is submitted to the applicant for signature and return. Consent is required from all parties with a registered interest in the property.

2. The Land Use Contract is forwarded to the clerk and an authorizing by-law is introduced and given first and second reading by council. The date for public hearing is set according to the procedure required by Sec. 703 of the Municipal Act. (An advertisement is placed in the public press and notices are usually sent to surrounding property owners.)

3. Following the public hearing council can on a 2/3 vote approve in principle, reject or table the application.

4. If Option 1 is used and the council approves in principle of the project and all imposts, security amounts and fees are submitted and the engineering department is satisfied that all rights of way, easements, and covenants are listed, the final adoption of the authorizing by-law may take place. The Land Use Contract is then signed by the mayor and the clerk.

5. The municipality registers the Land Use Contract in the Land Registry Office. If Option 2 were used the engineering plans of the subdivider would have to be submitted to the development engineer for approval and the development or engineering agreement would have to be executed by the applicant and the municipality, all requisite security amounts and fees submitted before final adoption of the authorizing by-law. (Third reading can be given if imposts have
been submitted.)

The project may now move on to Stages V and VI according to the general procedure.
APPENDIX E

ADMINISTRATIVE CHECK LIST: FOR HYPOTHETICAL MUNICIPALITY

Application Number ...................... Date of Application ......................

Name & Address, Owner .................................................. Tel. No. ............

Name & Address, Subdivider .................................................. Tel. No. ............

Name & Address, Engineer .................................................. Tel. No. ............

Development Area By-Law No .................. Zoning File No ..................

Rezoning By-Law No .................. Subdivision File No ..................

Land Use Contract No ..................

Date completed:

Sketch Plan ........................................................................

Informal Discussion ................................................................

Preliminary Application .............................................................

Distribution by Planning Department:

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Flood Plain: Letter to the Minister of Municipal Affairs

Date Sent .............. Approved ......................

Land Commission Amendment Required: Yes ...... No ...... Applied ...... Completed

Official Community Plan Category:

Amendment Required: Yes ...... No ...... Applied ...... Completed ......

Development Area: Yes ...... No ......
Field Inspection:
Planning Department Report:
Advisory Planning Commission Considerations:..............................
Recommendations:...................

Comments of other bodies possibly involved:
C.M.H.C.:
Department of Lands & Forests:
Public Utilities Commission:
Pollution Control Branch:
Minister of Lands, Forests and Water Resources:
Environmental Engineering:
Inspector of Dykes:
Water Rights Branch:
Deputy Minister of Commercial Transport:
National Energy Board:
Railways:
Utility Companies:
Canadian Department of Public Works:
Indian Affairs:
Other Agencies:

Council Decision: (Note if a Land Use Contract required council may give approval to initiate procedure)

Request of Technical Requirements from Engineering Dept. Date........ (If a Land Use Contract required engineering should not request detailed plans until after public hearing)

Technical Requirements completed by Engineering Dept. Date............

Notification given to applicant regarding preliminary approval and requirements. Date........................

Detailed Plans received from the applicant. Date...........................
Distribution of Plans:  

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If a Land Use Contract required: Preparation of preliminary Land Use Contract based on standardized contract. (If a Land Use Contract is not used then commence preparation of preliminary Development Agreement based on standardized agreement.)

Review of Preliminary Land Use Contract, by:

Review of Development Agreement by:

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Note: Preceding process should be very fast as Land Use Contract or Development Agreement should be standardized.

Presentation of Land Use Contract or (Development Agreement) to the Developer: Date

Presentation of Land Use Contract to council if executed by the developer: Date

Presentation of zoning by-law amendment to council (if Land Use Contract not used) Date

First and Second Reading

Public Hearing Date Set...Date Held...

Comments...

Decision of Council...

Preparation of final draft plans by developer's engineer

Date commenced...Date completed...
Legal survey providing ground survey and all easements, rights of way, 
and restrictive covenants existing and required.

Date completed

Meetings between consulting engineer of developer and municipal 
enengineer: Dates

Notification of securities required by the subdivider. Amount of 
the bonding set in the Development Agreement or Land Use Contract:

Final Land Use Contract or Development Agreement. Checked by

Date Received Date Returned Comments

Planning

Engineering (checks to see that Final Survey Plan meets all requirements)

Solicitor: Date sent Received Comments

Subdivider makes application for Final Approval. Date

Final Plans Received

Securities Received Delivered to Treasurer

Amount Receipt

Final Reading of Land Use Contract or Development Agreement.

Adoption of Land Use Contract or Development Agreement.

Land Use Contract filed in Land Registry Copy returned

Subdivision Plans approved

School Board Property Department Treasurer and Building Department 
informed of Final Adoption

As built drawing received by municipal engineer. Date

If a Land Use Contract the new zoning is mapped. Date
BIBLIOGRAPHY

A. Books


B. Monographs


C. Periodicals


D. Unpublished Material


Oliver, M.G., Peers, C.L. "Subdivision Control and Finance", Faculty of Law, University of British Columbia, 1963.


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Woodsworth, K.C. "Land Use Control". Minutes of a class prepared for the Center of Continuing Legal Education, University of British Columbia, Vancouver, October 1972.


E. Government Publications

Federal

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Provincial


Regional Districts

The Housing Issue, Prepared by the Staff of the Planning Department of the Greater Vancouver Regional District, Vancouver, 1973.

The Housing Issue, A discussion paper prepared by the Planning Department of the Greater Vancouver Regional District, Vancouver, February 1974.


United States of America


F. Statutes

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1960 C76 Controlled Access Highways Act
1960 C208 Land Registry Act
1960 C208 Real Estate Act

Cases. City of Vancouver vs Registrar of Vancouver Land Registry District 15 WWR 351.
