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Department of Architecture

The University of British Columbia
Vancouver B, Canada

Date September 30, 1979
ABSTRACT

Since the mid-sixties, and more particularly, since the beginning of 1972, housing prices in major urban centers across Canada have risen so sharply that it has become almost impossible for most Canadians to acquire adequate housing accommodation within their means. The rate of increase in the cost of land for housing, in comparison with other housing cost components, has been tremendously high. Why is the cost of land and housing so high in a land-rich country like Canada, and what could be done to control the rising cost of land and housing is the concern of this study.

This thesis argues that the existing system, whereby, land is owned, planned, serviced, developed, and marketed, has built-in drawbacks and weaknesses that give rise to many problems which contribute to the high cost of urban land for housing. It is suggested that the value of urban land mostly represents the value created due to the general growth of the urban community and public development planning decisions. The benefits from such value increments in urban land rightly belong to the urban community. But in the existing system, in which land is predominantly owned by private owners and developed at the will of private owners and developers, these value increments in urban land remain in the hands of the private owners. It is argued that such profits from increments in land value due to community growth attract all forms of speculative practices that, to a very large extent are responsible for increasing the cost of land for housing. This is
also responsible for the problem of conflict of interest at all levels or public development planning decision-making.

It is further argued that in the existing system authority for public planning and development control is too fragmented in the light of present-day regional urban reality. It is irrational, inefficient, and costly to the public interest at large.

The thesis suggests that to control the high prices or urban land and housing, the existing system must be modified so that the benefits from the socially-created value in urban land can be channelled back to the advantage of the community instead of being left to the sole advantage of the private owners. It argues that this can be achieved by large-scale public acquisition of land far in advance of need for its development, comprehensive planning on regional scale, servicing, and selling or leasing of such public land for development. Acquisition of land far in advance of need for development by public agencies will eliminate speculation and reduce the cost of urban land for housing.

The thesis presents a general description of the existing urban land development system with particular reference to the Greater Vancouver Region in British Columbia. The system is identified as consisting of two main components: one being the private market mechanism in which land is privately owned, developed and marketed; the other being the public development planning, development controls, and development decision-making process. The role of private development market and the role of various public agencies in the development of urban land is described.
The effects of public development planning decision-making at the general urban growth on the value of land is discussed. The problems of land speculation, conflict of interest at all levels of public development planning decision-making, and fragmented public planning authority and their effects on the cost of land and housing described.

The experiences of Edmonton, Red Deer, and Saskatoon with public acquisition and development control of land and their success in keeping the price of land and housing under control are cited. In conclusion the concept of public involvement in the ownership of land and its development is recommended and some measures and steps to be adopted for successful implementation of public land assembly, land banking, and development controls are suggested.
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract</td>
<td>i</td>
</tr>
<tr>
<td>List of Appendices</td>
<td>vi</td>
</tr>
<tr>
<td>List of Tables</td>
<td>vii</td>
</tr>
<tr>
<td>List of Figures</td>
<td>viii</td>
</tr>
<tr>
<td>Acknowledgement</td>
<td>ix</td>
</tr>
<tr>
<td>Chapter I — Introduction</td>
<td>1</td>
</tr>
<tr>
<td>A. Canada's Housing Crisis</td>
<td>2</td>
</tr>
<tr>
<td>B. Purpose of the Study</td>
<td>19</td>
</tr>
<tr>
<td>C. Outline of the Study</td>
<td>24</td>
</tr>
<tr>
<td>Chapter II — Urban Land Development</td>
<td></td>
</tr>
<tr>
<td>A. Demand for Urban Land</td>
<td>30</td>
</tr>
<tr>
<td>B. Urban Land Development — Supply of Land for Urban Development</td>
<td>33</td>
</tr>
<tr>
<td>C. Dynamics of Urban Land Values in the Process of Urban Development</td>
<td>35</td>
</tr>
<tr>
<td>D. Public Controls on the Development of Urban Land</td>
<td>41</td>
</tr>
<tr>
<td>E. Municipal Government and Urban Land Development</td>
<td>43</td>
</tr>
<tr>
<td>F. Regional Government and Urban Land Development</td>
<td>49</td>
</tr>
<tr>
<td>G. Regional Government and Urban Land Development</td>
<td>57</td>
</tr>
<tr>
<td>H. Federal Government and Urban Land Development</td>
<td>59</td>
</tr>
</tbody>
</table>
Chapter III — Urban Land Development System and the Problem of Distribution of Development Values in Land

A. Urban Land Values and General Urban Growth .................. 61


C. Land Speculation — A Product of Existing Urban Land Development System .................. 68

D. Conflict of Interest — A Built-in Problem in the Existing Urban Land Development System .................. 81

E. Fragmentation of Public Development Planning Authority — A Problem in the Face of Present Regional Urban Reality .................. 87

Chapter IV — Public Acquisition, Servicing, and Disposal of Land for Development

A. Public Land Assembly, Land Banking, and Development Control — A Viable Means to Control Urban Land Prices .................. 97

B. Alberta and Saskatchewan .................. 106

Chapter V — Conclusions and Recommendations .................. 132

Notes .................. 140

Bibliography .................. 143
# LIST OF APPENDICES

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Residential Land Values in the Metropolitan Area</td>
<td>149</td>
</tr>
<tr>
<td>B</td>
<td>Part XXI, Community Planning, Municipal Act R.S.B.C. 1960, Chapter 255</td>
<td>152</td>
</tr>
<tr>
<td>C</td>
<td>Objects and Powers of the Provincial Land Commission of British Columbia</td>
<td>166</td>
</tr>
<tr>
<td></td>
<td>2. Approval Procedures for Rezoning Applications in Various Municipalities in Greater Vancouver</td>
<td>173</td>
</tr>
<tr>
<td>E</td>
<td>1. Rezoning Application Costs and Requirements by Municipalities in Greater Vancouver</td>
<td>176</td>
</tr>
<tr>
<td></td>
<td>2. Development Costs and Requirements by Various Municipalities in Greater Vancouver</td>
<td>178</td>
</tr>
<tr>
<td></td>
<td>3. Additional Development Costs and Requirements</td>
<td>180</td>
</tr>
<tr>
<td></td>
<td>4. Impost Fees in the G.V.R.D.</td>
<td>183</td>
</tr>
<tr>
<td>F</td>
<td>How to get Really Rich in Real Estate - Buying, Rent Raising, Remortgaging, Selling Brings Profits</td>
<td>186</td>
</tr>
<tr>
<td></td>
<td>(The Vancouver Sun, February 14, 1974)</td>
<td></td>
</tr>
</tbody>
</table>
LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>II</td>
<td>Average M.L.S. Transaction Prices in the Greater Vancouver Area from 1960 to 1973</td>
<td>6</td>
</tr>
<tr>
<td>III</td>
<td>Increase in Prices of Residential Lots in Various Municipalities in the Greater Vancouver Area Since 1967</td>
<td>14</td>
</tr>
<tr>
<td>IV</td>
<td>Member Communities in the Greater Vancouver Regional District</td>
<td>53</td>
</tr>
<tr>
<td>V</td>
<td>Development Areas - Greater Vancouver Regional District</td>
<td>55</td>
</tr>
<tr>
<td>VI</td>
<td>Summary of Percentages for Proportion of Landowners to Land Areas</td>
<td>73</td>
</tr>
<tr>
<td>VII</td>
<td>Infill Statistics</td>
<td>75</td>
</tr>
<tr>
<td>VIII</td>
<td>Rank of Infill Potential</td>
<td>76</td>
</tr>
<tr>
<td>IX</td>
<td>Summary of Land Availability and Units in Processing Stage - April 1974</td>
<td>91</td>
</tr>
<tr>
<td>X</td>
<td>Alberta Housing Corporation Land Acquisition Schedule</td>
<td>116</td>
</tr>
<tr>
<td>XI</td>
<td>Land-Bank Sales, City of Saskatoon</td>
<td>122</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>Average M.L.S. Transaction Prices in the Greater Vancouver Area, 1960-1973</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Increase in the Price of a House in Vancouver's Point Grey Area</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>Comparative Rise in Cost of Components of Housing and Consumer Prices</td>
<td>15</td>
</tr>
<tr>
<td>5</td>
<td>Interest Rates</td>
<td>16</td>
</tr>
</tbody>
</table>
ACKNOWLEDGEMENT

In submitting this thesis, I wish to express my sincere appreciation for all those whose interest and active help made this study possible. I am greatly indebted to many members of staff at the following organizations for their generous help in providing me with necessary data and information for this study:

- Planning Department -
  Greater Vancouver Regional District
- Planning Department -
  Corporation of the District of Surrey
- Greater Vancouver Real Estate Board.

It is a privilege to extend my sincere gratitude to Professor Wolfgang Gerson and Mr. Donald Gutstein of the School of Architecture, U.B.C. for their constant interest, constructive criticism, and direction that were so valuable in the preparation of this study.
CHAPTER I

INTRODUCTION
Part A. - CANADA'S HOUSING CRISIS

Up until the early sixties, the problem of acquiring adequate housing accommodation was confined mostly to the lowest income groups. Most Canadians could afford to buy adequate housing accommodation for themselves on their own in the free market. It appears that around the mid-sixties that era came to an end and a new era of housing inflation began. It was around the mid-sixties that the housing prices took an upward turn and since then the prices have being going up at an alarmingly high rate. The climb has been breathtakingly steep during the past two years.

Table I clearly shows how sharply the overall property values across Canada increased between 1972 and 1973. The average M.L.S. sales price across Canada rose to $32,328 in 1973, 22 per cent increase over the average for 1972. Price increases ran above the national in provinces of Ontario and British Columbia. Ontario's average was up 26 per cent and British Columbia's average was up 23 per cent.

All major cities had price increase of more than 10 per cent with the exception of Montreal, where prices rose 5 per cent. Vancouver had the largest jump, from an average of $31,465 in 1972 to an average of $41,505 in 1973. Vancouver was followed by Toronto where prices were up 29 per cent to an average of $44,105 from $34,078 for 1972. Victoria followed close behind with an increase of 26 per cent, to $32,374 from $25,610 in 1972. These record price increases were on top of records
<table>
<thead>
<tr>
<th>City</th>
<th>1972</th>
<th>1973</th>
<th>Increase</th>
</tr>
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<tbody>
<tr>
<td>Vancouver</td>
<td>$31,465</td>
<td>$41,505</td>
<td>32%</td>
</tr>
<tr>
<td>Toronto</td>
<td>$34,078</td>
<td>$44,105</td>
<td>29%</td>
</tr>
<tr>
<td>Victoria</td>
<td>$25,610</td>
<td>$32,374</td>
<td>26%</td>
</tr>
<tr>
<td>Calgary</td>
<td>$25,373</td>
<td>$31,256</td>
<td>23%</td>
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<tr>
<td>Hamilton</td>
<td>$27,434</td>
<td>$33,615</td>
<td>23%</td>
</tr>
<tr>
<td>Ottawa</td>
<td>$32,303</td>
<td>$39,309</td>
<td>22%</td>
</tr>
<tr>
<td>Regina</td>
<td>$17,220</td>
<td>$20,306</td>
<td>18%</td>
</tr>
<tr>
<td>Edmonton</td>
<td>$25,522</td>
<td>$29,827</td>
<td>17%</td>
</tr>
<tr>
<td>Saint John</td>
<td>$20,488</td>
<td>$23,723</td>
<td>16%</td>
</tr>
<tr>
<td>Saskatoon</td>
<td>$17,177</td>
<td>$19,802</td>
<td>15%</td>
</tr>
<tr>
<td>Halifax</td>
<td>$23,572</td>
<td>$26,585</td>
<td>13%</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>$19,579</td>
<td>$21,573</td>
<td>10%</td>
</tr>
<tr>
<td>Montreal</td>
<td>$25,015</td>
<td>$26,385</td>
<td>5%</td>
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<tr>
<td>Ontario</td>
<td>$29,217</td>
<td>$36,877</td>
<td>26%</td>
</tr>
<tr>
<td>British Columbia</td>
<td>$25,741</td>
<td>$31,665</td>
<td>23%</td>
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<tr>
<td>Alberta</td>
<td>$25,056</td>
<td>$30,141</td>
<td>20%</td>
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<td>Saskatchewan</td>
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<tr>
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<td>$19,488</td>
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</tr>
<tr>
<td>Quebec</td>
<td>$25,713</td>
<td>$26,794</td>
<td>4%</td>
</tr>
<tr>
<td>Canada</td>
<td>$26,500</td>
<td>$32,328</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: Greater Vancouver Real Estate Board

The actual situation in comparatively good residential sections of our major cities is much worse than that indicated by the average increases mentioned above. To show how frightening this actual situation in the housing market of our major cities is, it is important to point out some individual examples of residential property value increases. The following examples are not exceptions, instead these represent the real trend in the housing market which is very much prevalent in urban Canada.

In Toronto, a typical three-bedroom house that fetched $21,360 when new in 1966 rose to $29,490 in 1970, to $40,603 by the end of 1973 and to around $57,000 in May 1974. The statistic is still deceptively low; within the boundaries of Metro Toronto, detached houses start at around $70,000. Another notable example in Toronto of a five-bedroom house with basement, built in 1912 and sold to its first owners for about $3,000. In June 1972 it was bought for $49,000. Estimated market price in May 1974: $110,000.

In Ottawa, a fieldstone house with cedar siding, four bedrooms, built in 1962 for $19,800. In 1970, a $7,000 extension was added. Estimated market value in 1973: $49,000. Estimated price in May 1974: $52,000.

In Montreal, the predominantly English-speaking western half of the island city has recovered with a vengeance from the real estate slump that followed Quebec's 1970-71 period of separatist unrest. In the first
four months of 1974, house prices in all of Montreal jumped ahead by 22 per cent for an average of $28,600. But in the island's Pointe Claire district, a typical house changed hands for $50,000 in May this year. A five-bedroom stone house that was purchased for $63,000 in January this year sold for $110,000 two months later.  

In Vancouver, the rate of housing price increase has become the highest in Canada. Table II and Figure 1. show how property values in Greater Vancouver area have risen between 1960 and 1973. A simple house in suburban Burnaby went from $17,500 in March 1970, to $44,500 in January 1974. More elaborate houses in Vancouver climbed to around $75,000 in April 1974 from $50,000 only three months earlier. A notable example is of a 43-year old two-story house with three bedrooms and a full basement, all on a 33 ft. by 115 ft. corner lot in Vancouver's Point Grey area. The house was bought in November 1965 for $16,800 and sold in March 1974 for $72,500. Figure 2. illustrates how the value of the house increased over eight years.

What this new era of housing inflation has done and is doing for the people of Canada depends on whether you already own a house of your own or you are one of those unlucky young Canadians who are looking for buying a place of their own to live. Those who already own their houses have experienced a feeling akin to winning a lottery; their affluence is underwritten by the enormously increased value of their houses. For those left out and for the nation, the high cost of housing has billowed into a full-scale crisis, many-sided diffuse and as fragmented as the real estate market itself.
### TABLE II.

**AVERAGE M.L.S. TRANSACTION PRICES IN THE GREATER VANCOUVER AREA FROM 1960 TO 1973**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>AVERAGE PRICE</th>
<th>INCREASE OVER PRECEEDING YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>$41,505</td>
<td>32.0%</td>
</tr>
<tr>
<td>1972</td>
<td>$31,465</td>
<td>18.9%</td>
</tr>
<tr>
<td>1971</td>
<td>$26,471</td>
<td>9.2%</td>
</tr>
<tr>
<td>1970</td>
<td>$24,239</td>
<td>1.3%</td>
</tr>
<tr>
<td>1969</td>
<td>$23,939</td>
<td>16.2%</td>
</tr>
<tr>
<td>1968</td>
<td>$20,595</td>
<td>15.5%</td>
</tr>
<tr>
<td>1967</td>
<td>$17,836</td>
<td>17.3%</td>
</tr>
<tr>
<td>1966</td>
<td>$15,200</td>
<td>8.9%</td>
</tr>
<tr>
<td>1965</td>
<td>$13,964</td>
<td>5.8%</td>
</tr>
<tr>
<td>1964</td>
<td>$13,202</td>
<td>4.5%</td>
</tr>
<tr>
<td>1963</td>
<td>$12,636</td>
<td>1.0%</td>
</tr>
<tr>
<td>1962</td>
<td>$12,518</td>
<td>1.4%</td>
</tr>
<tr>
<td>1961</td>
<td>$12,348</td>
<td>-5.7%</td>
</tr>
<tr>
<td>1960</td>
<td>$13,105</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Greater Vancouver Real Estate Board*

The average prices in the above table are calculated by dividing the dollar volume of all residential, business and commercial sales through the multiple listing services of the Greater Vancouver Real Estate Board by the number of sales. Although the method of calculating includes all types of real estate sales, most sales are residential. The average price thus calculated represents the average sale price of houses in the Greater Vancouver area.
FIGURE 1.


Source: Greater Vancouver Real Estate Board
FIGURE 2.

INCREASE IN THE PRICE OF A HOUSE IN VANCOUVER'S POINT GREY AREA - THE HOUSE PRICE WENT UP $5.12 AN HOUR

SOLD FOR $72,500 IN MARCH 1974.

BOUGHT FOR $16,800 IN NOVEMBER 1965.

Source: The Vancouver Sun, May 22, 1974.
The problem of acquiring adequate housing, that once was a problem experienced only by the lowest income families has extended itself to almost all young Canadians who are searching for buying a house of their own to settle down. Across the country, thousands of these young Canadians have been shocked to discover that the price of even a modest house is suddenly, wildly beyond their means. Among these numerous young Canadians there is a feeling of growing frustration and bitterness. For them owning a house has become a dream, which they feel, they may never be able to realise.

The policy of the Government of Canada further contributed to the housing price inflation. The government sought to dampen the housing price inflation through a policy of monetary restraint. The Bank of Canada has raised its prime lending rate step by step from 43/4% in February 1973 to 83/4% in May, 1974. (91/4% in July 1974) This has resulted in a parallel increase in the mortgage interest rates. As the mortgage rates went up more and more home buyers flooded the already inflated housing market to buy houses in a move to do so before the next hike in prices. So the policy that was designed to curb housing price inflation by curbing the housing demand through higher cost of financing, actually added to the existing rate of inflation throughout 1973 and the Spring of 1974.

In May, 1974, the mortgage interest rates climbed as high as 121/2%. With that high interest rates it just does not seem economically sound to borrow money even for a house. The policy, thus has finally forced
a cut back in demand and consequently a slowdown in the seemingly inexorable rise in housing prices.

This slowdown is basically because the price of houses and cost of financing have gone far beyond the reach of most Canadians. The grim arithmetic of today's price levels means that the privilege of home ownership without government assistance is reserved to fewer than 6% of salaried Canadians. Just what these rising interest rates mean can perhaps be illustrated by the following example:

A 25-year $40,000 mortgage at 9% has monthly payments of $331.19 (principal plus interest). At 12%, the monthly payments go to $412.76. Add to this about $50.00 for taxes and the monthly payments come out to be $462.76. According to the rule of thumb that says accommodation should take no more than one-quarter of income, this would require an annual income of $19,000.00.

While this crisis in housing price inflation has, without doubt, spelled out misery for all those unfortunate Canadians who find themselves unable to purchase a decent home, the main concern of this study is -- 'WHY DO WE HAVE THIS CRISIS?'

A simple explanation to this crisis in terms of economics of market is that there is far too much demand in the housing market and there is an acute shortage of supply of housing units. That there are far too many people looking for houses and there are far less number of houses available in the market. This imbalance between demand and
supply in housing market is primarily responsible for astronomical prices of houses.

Statistically speaking, there are two well recognised reasons for the high demand factor.

Firstly, an increasing number of young Canadians continue to migrate from rural areas and small towns to major urban centres in search for growth opportunities. This represents an ever increasing demand for more housing accommodation in Canadian urban centres.

Secondly, that large section of Canadians, who were born during the post-war baby boom period, is now in the age group between 25 and 30 years. This has resulted in the present sharp increase in the formation of family and non-family households. Most of them are now hunting for houses in this highly inflated market.

While this may account for the high demand factor in the housing market, the causes of short supply are highly complex, varied and inter-related. This being the subject matter of investigation in this study, will be dealt with in the subsequent chapters in detail. In the present context of defining the aims and objectives of this study, it is very essential to have a further look at the prevailing cost levels of various components of housing.

There are three major components in the cost of housing -

a. Cost of land,
b. Cost of construction, and

c. Cost of financing.

Statistics clearly point out that in most urban centres across Canada, the cost of serviced land for residential development has been increasing at a much higher rate than the increase in the other cost components. Figure 3. shows how the proportion of land cost to the total cost of N.H.A. financed houses has risen since 1961 in major Canadian urban centres. Vancouver appears to be headed for overtaking cities like Toronto, Ottawa, and Hamilton where housing and land prices have been higher than that in Vancouver until 1971.

In Vancouver, the rise in price of land has been very steep in the last two years. An average home building lot in the suburban areas is now worth $25,000, up 525% in the past decade -- with about half the increase taking place in 1973. Table III indicates how land prices, in various municipalities in the Greater Vancouver area went up between 1967 and 1973. Refer to Appendix A. also.

The enormous rise in the price of land, clearly, is the largest single factor in the rising housing prices. The rate of increase in the price of serviced land has been much more than the general inflation throughout the sixties and the early seventies, it has taken astronomical dimensions and has developed into the present crisis in the land prices. Figure 4. shows how the cost of land went up in comparison with other costs in the Greater Vancouver area from 1967 to 1973. While the gravity of the problem of rising cost of land has been pointed out many

Note - "Changes in land costs as reflected through N.H.A. experience are not properly representative as N.H.A. activity accounts for a small proportion of single family houses in most metropolitan areas and is confined largely to outlying areas where land costs tend to be much lower."

Source: Canadian Housing Statistics - Central Mortgage and Housing Corporation
### TABLE III

**INCREASE IN PRICES OF RESIDENTIAL LOTS IN VARIOUS MUNICIPALITIES IN THE GREATER VANCOUVER AREA SINCE 1967**

<table>
<thead>
<tr>
<th></th>
<th>1967</th>
<th>1973</th>
<th>INCREASE</th>
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<tbody>
<tr>
<td>City of Vancouver</td>
<td>$12,500</td>
<td>$35,000</td>
<td>180.0%</td>
</tr>
<tr>
<td>Burnaby</td>
<td>$8,000</td>
<td>$35,000</td>
<td>287.5%</td>
</tr>
<tr>
<td>North Vancouver(City)</td>
<td>$8,000</td>
<td>$25,000</td>
<td>162.5%</td>
</tr>
<tr>
<td>North Vancouver(Dist)</td>
<td>$8,500</td>
<td>$30,000</td>
<td>253.0%</td>
</tr>
<tr>
<td>West Vancouver</td>
<td>$10,000</td>
<td>$36,000</td>
<td>260.0%</td>
</tr>
<tr>
<td>Coquitlam</td>
<td>$7,000</td>
<td>$25,000</td>
<td>259.0%</td>
</tr>
<tr>
<td>Richmond</td>
<td>$6,000</td>
<td>$18,000</td>
<td>200.0%</td>
</tr>
<tr>
<td>Surrey</td>
<td>$4,600</td>
<td>$16,000</td>
<td>248.0%</td>
</tr>
<tr>
<td>Delta</td>
<td>$4,500</td>
<td>$16,500</td>
<td>267.0%</td>
</tr>
</tbody>
</table>

*Source: Greater Vancouver Real Estate Board*
FIGURE 4.

COMPARATIVE RISE IN COSTS OF COMPONENTS OF HOUSING AND CONSUMER PRICES

<table>
<thead>
<tr>
<th></th>
<th>1967</th>
<th>1973</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONSUMER PRICE INDEX</strong></td>
<td>111.0</td>
<td>141.0</td>
<td>27%</td>
</tr>
<tr>
<td><strong>LAND COST</strong>: An average house lot in Surrey</td>
<td>$4,600</td>
<td>$16,000</td>
<td>248%</td>
</tr>
<tr>
<td></td>
<td>Average N.H.A. financed bungalow lot in Vancouver</td>
<td>$3,979</td>
<td>$12,531</td>
</tr>
<tr>
<td><strong>CONSTRUCTION COST</strong>: Per sq. ft.</td>
<td>$13.55</td>
<td>$18.67</td>
<td>38%</td>
</tr>
<tr>
<td><strong>INTEREST</strong>: Statistics Canada Index (1961=100)</td>
<td>125.5</td>
<td>240.5</td>
<td>93%</td>
</tr>
<tr>
<td><strong>HOUSE PRICE</strong>: Average M.L.S. sale</td>
<td>$17,836</td>
<td>$41,505</td>
<td>133%</td>
</tr>
<tr>
<td></td>
<td>Average N.H.A. Bungalow</td>
<td>$20,687</td>
<td>$36,067</td>
</tr>
</tbody>
</table>
FIGURE 5.

INTEREST RATES

- Bank of Canada Prime Rate
- Conventional Mortgage Loans
- N.H.A. Maximum Rate
- N.H.A. Insured Rate

Source: Greater Vancouver Real Estate Board.
Bank of Canada.
times by concerned individuals and various studies by experts and professionals, no concrete steps appear to have been taken. We have completely failed to control the rising land prices and the result is the present crisis looming over the nation's head.

The editor of the 'Canadian Builder', Mr. Clifford Fowke, wrote in the December 1968 issue of the journal:

"Of all the problems facing the building industry today, surely that of land prices is the most urgent...."

"...in most areas the land prices have spiralled simply because there is not enough serviced land available in the places where it is needed most and like any scarce product when it is in demand, its cost climbs."

He further remarked:

"Because of the unnaturally high price of our biggest natural resource, we are retarding our progress as a nation and bringing misery upon a large segment of our population."

There is no doubt that the misery is now upon that large segment of Canadians.

In 1969, the Federal Task Force of on Housing and Urban Development pointed out the gravity of the problem of land prices and suggested a number of recommendations. Since then there have been many studies done and conferences held at all levels of government and outside it. The problem has definitely become a national issue and a matter of concern to everyone across the nation. The problem of high prices is
the main concern in this study. This study is an attempt to seek answers to the following questions.

1. Why is the price of serviced land for residential development in the urban areas so abnormally high despite the fact that land is our biggest natural resource in Canada.

2. Why is the price of serviced land for residential development in the urban areas increasing as such an enormous rate?

3. What immediate and long-term steps are necessary to be taken to control this unrealistic rise in the price of serviced land in our urban centres?
Part B. PURPOSE OF THE STUDY

The purpose of this study, primarily is to seek explanatory answers to the questions raised earlier. It can be argued, and there is no doubt, that part of the increased price of serviced land is, of course, nothing more than a reflection of generally increasing prices. Land and, more particularly, the labour and materials involved in servicing it are hardly immune from the overall effect of increasing costs throughout the economy in this country and abroad. But the degree of increase in land prices is much too high and out of proportions and there seems more than general cost factors are at work in the area of land prices.

In Fowke's opinion, the high prices or urban land is the acute shortage of serviced land in the market. But the fact is that land is our biggest natural resource in Canada. Then why should there by a shortage of land for urban development in our urban areas? Findings of a recent study by an independent planning firm shows that there are 57,000 acres of land within Greater Vancouver that are already designated for urban residential development and are sufficient to accommodate growth for the next 18 years at present densities. 65% of this is already serviced or is in the process of being serviced. It shows that there is no actual shortage of land for development; instead the shortage is artificially created by holding the land from the market for development. The study points out that this artificially created shortage or urban land by private speculative holding practices is very
much responsible for the high cost of urban land and housing.

It is the purpose of this study to show that speculative land holding practices are the outcome of the very system in which land is presently owned, planned, serviced, developed, and marketed. It shows that the structure of the existing urban land development system, in which land is almost wholly owned by private owners and its development depends on the will of the private owners and the private market for development, whereas the development planning decisions and development regulatory controls rest with the public agencies, encourages speculative practices and gives rize to other problems, such as, conflict of interest at various levels of public planning and development decision-making.

The urban land values are created by the general growth of the urban community and public development planning decisions. With the present set-up of the system the socially-created value increments in urban land go to the sole advantage of the private owners of urban properties. The lure of such windfall profits from the ownership of land attracts all forms of speculation in land and adds to the price of urban land. The system in its present form does not have any means to channel back such socially-created increments in land value to the benefit of the urban community. The system, thus, works to the advantage of the private interest at the cost of the community interest. The result is ever increasing cost to the community in terms of high prices of land and housing.

Furthermore, in the existing urban development system, public development
planning decision-making and development controls are fragmented and totally irrelevant to the present urban reality. Major development planning decisions and development controls rest with the municipalities, whereas present urban areas extend beyond the municipal boundaries. Regional governments or metropolitan governments usually do not possess the necessary powers over the municipalities to exercise effective planning controls on regional or metropolitan scale that the present urban reality demands. At least such is the case in the Greater Vancouver area.

Given such a situation that surrounds our urban development, development planning cannot function at its maximum efficiency and be effective in producing orderly and economic urban development for the urban community. The present system for urban land development will continue to be taken advantage of for private gains resulting in ever-increasing cost to the community in terms of high land and housing prices and uneconomic urban sprawl. The system must be changed if we are to keep the land prices within reach of our people.

If we are to control the prices or urban land and housing we must eliminate land speculation which so substantially adds to the cost of land for development. To eliminate the problem of speculation the existing land development system must be modified so that the value increments in urban land that result from the general growth of the urban community and public development and planning decisions could be channelled back to the community's benefit rather than left in the
hands of the private owners.

The study suggests that the most effective way to accomplish this is that public agencies should actively enter the market for owning, servicing, and developing land in addition to the existing role of public development planning and regulating development through controls. It is suggested that public agencies at regional or metropolitan level should acquire land needed for urban growth sufficiently in advance of its need for urban development, prepare comprehensive plans at regional scale, service, and market land for development enough to meet the demand in the market at any time. This would eliminate private monopoly over land ownership and the practice of speculative holding of land for private gains. The elimination of speculation would lower the land prices for urban development and also benefit the community from economic and orderly development of urban areas by subjecting the idle land held by speculators to its proper development.
HYPOTHESES OF THE STUDY

This study hypothesizes that:

1. The existing system, whereby land is owned, planned, serviced, and made available for urban development, has built-in drawbacks and weaknesses that makes it irrational and inefficient in its intended functions, and vulnerable to misuse and exploitations for private gains at the general expense of the urban community. These built-in drawbacks and weaknesses give rise to problems that contribute, directly as well as indirectly, to the high cost of urban land and housing.

2. A system involving public acquisition of land required for urban growth sufficiently in advance of its actual need for urban development, comprehensive planning on regional scale, servicing, and selling or leasing land for urban development to meet the market demand can reduce the cost of urban land and housing. Public acquisition of land far in advance of its need would eliminate speculation in land which is the main factor in high cost of urban land.
Part C. OUTLINE OF THE STUDY

Having defined the subject matter, the area of concern, and the purpose of the study, and having established the basic hypotheses, this study begins by presenting, in Chapter II, a general description of the present system through which the development and redevelopment of land for urban use takes place. With a brief initial description of the universal process of urbanization and ever-increasing demand for urban land, the study identifies the basic structure of the present system responsible for the supply of land for urban development as composed of two main component sets of mechanisms operating simultaneously in the development process. One component being the private market mechanism in which land is predominantly privately owned, developed, and marketed like any other commodity. The other component is the public controls on its urban development through public development planning, public involvement in development, and public investment in major development projects.

Further, it identifies the various stages through which land, from its original agricultural use to its full urban development stage, passes, and the market criteria on which the development from one stage to the next takes place. How the market value of land at various stages of development is determined and the criteria on which private investment in the development of land is made, is explained. It is pointed out that the sole determinant factor private market initiative to develop a particular piece of land is the profit that can be derived from
investment in its development. Even if the need for its development exists, the actual development will not occur if it is not profitable to develop it for urban use.

As the responsibility for controlling the urban development of land is exercised by the public agencies on behalf of the urban community, the study deals with the role of various levels of governments through its agencies and departments in the urban land development process. A particular case of governmental organisation in British Columbia and its role in the planning and control of urban development is described as representative of a common form of government with some variations in responsibilities, in other provinces of Canada. Functions of municipal governments and the regional level of governments, their responsibilities and powers with regard to development planning and controls through regulations is discussed in detail. Functions and responsibilities of regional governments, particularly, the Greater Vancouver Regional District, with regard to urban planning and directing the urban growth are described.

Finally, the powers of the provincial governments and their role as participants in the development and planning of urban land and their legislative role in the area of land development is described. Lastly the role of federal government as a major participant in development through investment in large projects throughout the country and its financing role in collaboration with provincial, regional, and municipal governments in the urban development programs is described. In short,
Chapter II presents a general description of the structure of the existing system through which urban land development occurs.

Chapter III deals with analysing the functioning of the system described in Chapter II and the effects of its existing structure and its functioning on the value of land in the market for development. It is argued that the system in its present form works to the advantage of private sector at the general expense of the urban community. It is argued that the general growth of the community and public decisions regarding development planning and investment in development generate the value of the urban land and such appreciations in the value of land belong to the urban community, whereas, in the present system of private ownership of land, these increments remain in the hands of private owners. The system does not possess any effective means through which such increments in land values can be channelled back to the advantage of the community whose growth is responsible for the creation of such values.

The study, further, argues that these increments in land values that are enjoyed by the private owners of land, and resulting from community growth and public actions, represent unearned profits to the private owners and act as magnets for speculative practices in the real estate market. Speculation in land and landed property in all its forms are the major factors contributing to the shortage of supply of land for urban development and the soaring prices of urban land and housing. Various forms of speculative practices common in Canadian cities are described in this Chapter.
It is further argued that the present arrangement of private ownership of land and public development controls gives rise to conflict of interest at all levels of public development planning decision-making process. Such being the case the public planning and development decisions tend to favour the private interests and the public interests that are supposed to be represented by public agencies in their role as development planners and controllers of urban development is grossly undermined. This itself adds to the problem of speculation in land and ultimately to the rising cost of urban land.

It is pointed out that the traditional role of municipalities as development planning and development regulating agencies is no more relevant to present urban reality. Our urban areas have grown beyond the municipal boundaries and require comprehensive planning on regional basis. It is argued that the present regional governments do not possess the necessary powers to exercise development planning and development control of the urban region as a whole. Effective planning decision-making becomes extremely difficult when the planning authority is individually exercised by 10 or 20 different municipalities in the same urban region. Fragmented planning authority is without doubt another factor that adds to the cost of urban development in terms of inefficiency and delays in development decision-making at regional level.

The study also points out that the present municipal property assessment system discourages development of urban land to its fullest potential and encourages speculation resulting in ever-rising prices of
The study argues that to control the prices of urban land and its development it is necessary to make some fundamental changes in the present urban land development system which is the source of most problems contributing to the high cost of urban land. In Chapter IV of this study, the concept of public acquisition of land far in advance of its actual need for urban development is presented. It is argued that prior acquisition of land by public agencies will eliminate the major problem of speculation in land and reduce the cost of land for development. Other measures such as public involvement in the management of rental properties in the urban areas, more public control on sale of urban properties, and comprehensive public planning and controls at regional and provincial level are presented. The study cites the experiences of the cities of Saskatoon, Red Deer, and Edmonton in the provinces of Saskatchewan and Alberta in the field of public acquisition of land in advance of urban developments, its servicing, and disposal for private development. Their success in controlling the price of urban land and housing through public acquisition and development control is presented in support of the adoption of the concept in other parts of Canada.

Finally, in Chapter V, some steps and measures in the form of recommendation are given, suggesting the changes required in the existing urban land development system to eliminate the problems that contribute to the high cost of urban land and uneconomic urban sprawl.
CHAPTER II

URBAN LAND DEVELOPMENT SYSTEM
Part A. DEMAND FOR URBAN LAND

The demand for urban land is essentially a derived demand in the sense that this demand depends upon the demand for satisfying the basic human requirement for shelter. This demand for developable land in and around the urban areas is ever-growing as a result of the general growth in the population of existing urban areas coupled with constant migration of people from the countryside to the large urban areas.

"Men come together in cities in order to live. They remain together in order to live the good life."1

That was two thousand years ago. Aristotle was underlying for his audience the importance of the quality of life as opposed merely to continued biological existence. At that time, his remarks were a commentary on the desirability of the then existing urban social system. Today, they are an exhortation. The good life as he visualised may be questionable in the light or present-day urban reality; yet the urban centres all over the world continue to attract people from the countryside and the small towns in the pursuit of opportunity for growth and advancement, socially, culturally and economically. It is because that is where the action is.

Throughout Canada it is recognised that people are constantly migrating from the country and the small towns into the large urban areas. British Columbia is in a unique position with respect to this migration.
The trend of migration in British Columbia is further exaggerated by the migration to this province from other parts of Canada because of its recognition as a desirable place to live. The following statistical forecasts clearly show this trend.

<table>
<thead>
<tr>
<th>Year</th>
<th>Canadian Population</th>
<th>% Urban</th>
<th>B.C. Population as % of Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>21,516,000</td>
<td>76.1</td>
<td>10.2%</td>
</tr>
<tr>
<td>1981</td>
<td>25,362,000</td>
<td>85.4</td>
<td>11.1%</td>
</tr>
<tr>
<td>2001</td>
<td>33,801,000</td>
<td>94.1</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

(Statistics from the Trilevel Housing Conference-1973)

Greater Vancouver continues to be one of the major urban centres of attraction in Canada absorbing this migration. There is, thus, a constant demand for more and more development to accommodate the growing population in the urban areas. There is demand for more undeveloped land to be brought under development. There is demand for more intensive development of the existing urban areas. To meet this growing demand new development takes place. More undevelopment land on the outer periphery of the urban area is brought under development. Older low density developments in the vicinity of established business and work centres undergo redevelopment to form high density areas to meet the demand. This development and redevelopment of urban land takes place through a system of public and private decisions, initiatives and actions. This system is referred to in this study as the Urban Land Development System. This system is responsible for supply of serviced land for development to meet the growing demand.
This chapter deals with identifying the Urban Land Development System as it exists in Canada with particular reference to the Greater Vancouver Region in the province of British Columbia.
In Canada, we have a system of private ownership of land and public controls over its orderly development for urban usage. Most of the land in the urban areas, rural areas, and the agricultural production land around these areas is privately owned. In the process of development it is bought, sold, and built upon according to the rules of the private market and within the confines of the prevalent public controls on its planning and development. The urban development of land is a complex process and involves a multiplex of decisions on the part of many individuals and agencies, private and public. It involves decisions regarding investment, decisions regarding selection, purchase, and sale of land for development, decisions regarding planning, building design and construction and so on. Two sets of mechanisms appear to be operating in the development of land.

a) Land development market mechanism:

2) Public decision-making and public controls on planning and development.

Together they form a system which is responsible for the supply of serviced land and its development for urban usage. In this Chapter, the important aspects of both these mechanisms related to the cost and supply of serviced land are described.
LAND DEVELOPMENT MARKET MECHANISM

The land development market is composed of land owners, investors, and developers of land. They are private individuals and private companies as well as public agencies involved with the land development and investment in land. The decisions to buy, sell, or develop land is based on an evaluation of costs and benefits. The costs of acquisition of land, processing, financing and holding of land as well as the cost of development is compared against the potential returns. To understand the involvement of land development market, it is important here to consider what happens to the value of land in the process of development. The value of land increases with its potential for urban development and with the actual development.
Part C. DYNAMICS OR URBAN LAND VALUES IN THE PROCESS OF URBAN DEVELOPMENT

In physical terms, there are two different types of urban development of land that takes place in a growing urban area. One is the development of undeveloped land on the outer fringes of an urban area and the other is the redevelopment of parts of existing urban areas that occurs in and around the business and work centres within the urban areas. On the basis of actual land use, there are three stages in the full development of land.

1. Agricultural Stage:
2. Original Development Stage;
3. Redevelopment Stage.

As the potential of land for urban development increases, the land appreciates in value. The value of land is highest at its full development stage. Market value of developed land is many times the value at its agricultural use stage. In their article, "Land as a Growth Investment", Ricks and Weston have identified five stages in the development cycle of land within any given urban area that undergoes development. These are:

1. Agricultural Stage;
2. Predevelopment Stage;
3. Original Development Stage;
4. Underdevelopment Stage;
5. Redevelopment Stage.
These stages are based on the economic determinants of land value rather than its actual use. Diagram I. shows the sequence in the development stages of land. The land may undergo redevelopment many times over the years in the history of an urban area. However, in the context of this study, we are specifically concerned with the first three stages shown in the diagram. The economic determinants of land value at various stages of development differs with each stage. Ratcliff and Hamilton, in a study on "Suburban Land Development", have explained how the value of land at various stages of its development is determined.  

The value of the undeveloped, agricultural land in Stage One, before other uses are considered, is simply the capitalized value of the income obtainable from agricultural uses. During this stage, changes in the price of land are influenced by any changes in productivity and/or price changes for the final agricultural outputs. Assuming that farm prices are controlled to a significant degree through marketing boards, for example -- land values would tend to increase gradually over time. Land is classified in Stage One of the development cycle as long as the market value based on agricultural use equals or exceeds the maximum price payable for some other use. Even with potential urban use in the foreseeable future, the present worth of the land for development is less than the agricultural value. It is the value generating use rather than the actual land use that distinguishes Stage One and Two. A property may remain in agricultural use well beyond the point at which farming ceases to be profitable simply because the farming revenue pays some portion of the holding costs while the land is ripening for urban use.
Diagram 1: Stages of Urban Land Development

1. Agricultural
2. Pre-Development
3. Original Development
4. Underdevelopment
5. Redevelopment

DIAGRAM 1  STAGES OF URBAN LAND DEVELOPMENT
Land in Stage Three is characterised by actual development, and its value in the short run is derived from the capitalised value of the land's contribution to income production as an urban property. Since development may occur over some extended period of time, the actual boundary of Stage Three is subject to interpretation. For most purposes, however, it is sufficient to simply classify property as being in Stage Three when income-producing improvements are provided on the site. The value of land in this stage is greatly enhanced due to the income producing capacity of the developed property as urban land.

It should be noted that, unlike Stage One and Two where the boundary is determined by value generating considerations, Stage Two and Three are delineated by the presence of on-site income-producing improvements.

The interim period, Stage Two, is illustrative of prices rising above current agricultural use value, in expectation of the future higher urban-use value. The value of land in this stage depends almost entirely upon the final use and the timing of development. Unlike agricultural land use or developed property, the return from the ownership of undeveloped land in Stage Two is not primarily income but rather capital appreciation due to its potential future urban use. Any income provided prior to development is usually insignificant in relation to the capital appreciation.

The Market for undeveloped land in Stage Two exists due to the demand for development in the expanding urban area. The decision to develop
this land is based on the return to its developer from its development as urban property. If the value of the developed property less the price of the land exceeds the cost of development, the developer will proceed. If, on the other hand, the difference between the value of the developed property and the price of land payable is less than the cost of development, no development will occur.

Similar criteria holds good for the redevelopment of an underdeveloped property. A property is considered to be underdeveloped when its existing use is no longer the best use for which the property has potential. This situation occurs in the high demand areas in the vicinity of business and work centres of a metropolitan area.
DEVELOPMENT GOALS AND POLICIES

DEVELOPMENT REGULATIONS (ZONING, SUBDIVISION, LAND REGISTRATION ETC.)

ADMINISTRATION OF POLICIES AND REGULATIONS

DEMAND FOR DEVELOPMENT (CONSUMERS)

POTENTIAL DEVELOPMENT LAND

DEVELOPED LAND

PRIVATE LAND OWNERS, DEVELOPERS AND INVESTORS

PRIVATE INVESTMENT AND DEVELOPMENT COMPANIES

PUBLIC INVESTMENT AND DEVELOPMENT AGENCIES

DIAGRAM II URBAN LAND DEVELOPMENT SYSTEM
Part D. PUBLIC CONTROLS ON THE DEVELOPMENT OF URBAN LAND

It is a well-established practice in most urbanised communities to exercise control on the development of urban land through public agencies. The structure of these public controls and the distribution of responsibilities at various levels of government depend upon the political effect on the quality of urban development and urban life. These controls are exercised through a set of codes and statutory laws that regulate the development, planning, and subdivision of urban property.

In Canada, with the distribution of powers under the British North America Act, the constitutional responsibility for the management of land is vested in the provincial governments. Due to this division of powers, the federal government does not have a direct role in the management of land; but, as it will be shown later, it has a very definite role in the urban development process.

Traditionally, it has been the practice of the provincial governments to delegate their authority with respect to land use controls and urban development to the municipalities and the city governments. In British Columbia, with the establishment of regional governments in the province, some powers to control and direct the urban development are given to the regional governments. These powers are delegated to the municipal and the regional governments through the Municipal Act, the very basis for the existence of these governments.

The Municipal Act is undoubtedly the most important piece of legislation
regarding the development and subdivision of land in British Columbia. The other important and significant provincial acts are the Land Registry Act, the Real Estate Act, the Controlled Access Highways Act, the Strata Titles Act, the Health Act, and the Pollution Control Act. One of the most recent pieces of legislation, and of special significance to this study, is the Land Commission Act of 1973, abolishing the Provincial Land Commission in British Columbia.
Municipal government is the most directly involved level of government with the planning and development of urban land. Under the Municipal Act, the municipal governments are given the powers to plan and control the development of land within their jurisdiction. The enabling statutes are set out in Part XXI, Community Planning of the Municipal Act R.S.B.C. 1960, Chapter 255. These statutes lay the foundations for the formation of policies, regulations and their administration with respect to urban land development by the municipalities within their territories.

These enabling statutes are grouped under the following divisions that can be described as tools for planning and development control given in the hands of municipalities.

Division 1. Official Community Plan
Division 2. Advisory Planning Commission
Division 3. Zoning
Division 4. Subdivision of Land
Division 5. Building Regulations

What these powers mean in relation to the role of municipal governments in the land development process is presented hereafter. In the context of this study divisions 1, 3 and 4 have direct significance.
The official community plan is a medium through which the development within a municipality is conceived. Under the Municipal Act, each municipality in British Columbia is given the authority and the responsibility to plan and control the development within its territory. The municipal council is authorised to have community development plans prepared and adopt by by-law any such plan as or as part of the official community plan for the municipality.

The official community plan is an expression of policy for the development within a municipality. It sets the policy guidelines for:

a) use or uses of land including surfaces of water; or
b) the pattern of subdivision of land;

either or both may apply to any or all areas of the municipality. See Appendix B.

It defines the general relationship between land uses of different categories such as residential, commercial, and industrial and forms the framework within which urban development is allowed to take place.

No development that is in contradiction with this official community plan is allowed unless the official plan is appropriately amended by by-law by the municipal council. The official community plan, however, can be revised and the changes can be incorporated by by-law to be adopted by the municipal council.
It may be noted that the official community plan is not a commitment for the municipal council or any other administrative body to undertake any of the projects therein suggested or outlined.

The official community plan of a municipality, however, must be in conformity with the broad policy guidelines set out in the official regional plan of the regional district of which the municipality is a member.
ZONING

Zoning is the legal regulation of the use of land and as such, is one of the most important instruments with which the functions of planning and development control of urban land is performed. Application of zoning in the planning and development of urban land involves:

a) The zoning plan — According to the zoning plan the area of the urban community is divided into various zones in which the land is restricted to certain classified uses such as single family residential zones, two-family residential zone, multi-family residential zone, medium density zone, high density zone, commercial zone, industrial zone, agricultural zone and so on.

b) The zoning regulations or the zoning by-laws — These regulations define the use of land, buildings and structures allowed within such zones. They set the standards for the provision of facilities in each zone and also the limitations upon the shape, sitting and bulk of buildings that occupy land in such zones.

c) The zoning procedures — These are the procedures that a municipal government follows in the event a change is required to be made in the zoning classification of a piece of property. In a growing urban community these changes are often required to be made from time to time to accommodate growth of the community.

Municipalities have complete powers to zone, regulate the development
in these zones, and to make the zoning changes as necessitated and in accordance with the framework set out in the Municipal Act. Refer to Appendix B.

The municipal council is given the authority to divide the whole or a portion of the area of the municipality into zones and define each zone either by map, plan, or description or any combination thereof.

They regulate the use of land, buildings, and structures, including the surface of water, within such zones. They have the power to prohibit any particular use or uses in any specified zone or zones.

They regulate the size, shape, and sitting of buildings and structures within such zones. These regulations may be different for different zones and with respect to different uses within a zone.

With these powers they have the responsibility to protect and promote public health, welfare, and safety.

Zoning is an effective tool with which urban development can be controlled and directed by the municipal governments. Its effectiveness depends upon the manner and foresight with which it is used to achieve and desired goals. Its practice can produce comprehensively beautiful urban communities and its careless application can produce monotonously dull developments evident in the urban sprawl of most North American urban areas.
SUBDIVISION OF LAND

Subdivision of land is another area over which the municipalities have control and is directly linked with the development and growth or urban areas. The municipalities are given the powers to make regulations that govern the subdivision of land.

Through these subdivision regulations they exercise control over the area, shape, and dimensions of parcels of land; the dimensions, location and alignment and gradient of highways in connection with the subdivision of land.

They set standards for services, particularly, water supply and sewage disposal and roads. All subdivisions have to be designed and serviced in conformity with the municipality's subdivision regulations and require the approval of the municipality before subdivisions can be registered with the land registry office.

Any subdivision has to be in conformity with the official community plan of the municipality.

Traditionally, the municipalities have carried a large share of costs for services such as roads, curbs, lanes, sewers and water mains, etc. The policy of requiring the developers and subdividers of land to carry a much larger share or the full cost of services has become common with almost all the municipalities in the Greater Vancouver Region.
British Columbia has a well-established system of regional government in the province. In 1965, the whole of the province was divided into regional districts. The framework for the structure and functioning of regional districts is contained in Part XXIV, Special Areas, Division 2., Regional Districts, of the Municipal Act R.S.B.C. 1960, Chapter 255. There are 28 regional districts in the province and the Greater Vancouver Regional District is the largest in terms of population and functions.

The purpose of regional government is to tackle problems and provide essential services on a common and cooperative basis for region's growth. The role of regional government and its importance with respect to the development of urban land is discussed here and elsewhere in this study. In the present context the powers and authority of the regional districts in relation to the urban development and as provided for in the Municipal Act are described.

The governing and executive body of a regional district is the regional board. The regional board consists of the requisite number of directors appointed by the council or the trustees of each municipality from among its members and the requisite number of directors elected from the electorate areas if any.

No specific functions are assigned to the regional districts in the Municipal Act. Members of a regional district's board themselves are
allowed to decide on what responsibilities and functions to undertake.

Not all member municipalities are required to participate in all the functions undertaken by the regional board. Moreover, an area-wide function becomes a regional responsibility when approved by two-thirds of the board's directors having two-thirds of the total votes and representing at least two-thirds of the individual member municipalities.

The provincial government, by Letters Patent or supplementary Letters Patent, can assign additional powers, duties, and obligations to the regional districts. At the request of the regional board, the provincial government can specify the member municipalities which are to participate and the basis for sharing the costs for each function.

The provincial government can transfer to the exclusive jurisdiction of the regional district, any powers, duties, and obligations of any member municipality.

A regional district is given a corporate status and for the purpose of exercising its functions, has the full powers to acquire, hold, and dispose of real and personal property and to contract for materials and services, both personal and otherwise.

The operating costs for most functions and services of a regional district are shared by the participating member municipalities and the electoral areas.

With respect to the function of regional planning and development, the
regional board has the authority to prepare regional plans applicable to the regional district and revise them as necessary. A regional plan is a general scheme without detail for the projected uses of land within the regional district, including the location of major highways.

The regional board has the authority to designate, by by-law, any regional plan as an official regional plan with an affirmative vote of two-thirds of all the directors having among them two-thirds of all the votes on the regional board.

This official regional plan when adopted as mentioned above acts as a general guide within which municipalities prepare their own official community plans.
GREATER VANCOUVER REGIONAL DISTRICT

The Greater Vancouver Regional District is the largest regional district in the province in terms of population and it has assumed the most responsibilities. It consists of seventeen member communities listed in Table IV. Since its inception in 1965, the Regional District has taken over an impressive array of functions. It began by assuming responsibility for hospitals and regional planning and over the years has added sewage disposal, water supply, regional parks, housing, and air pollution control to its list of functions. It has agreed to assume responsibility for public transportation and noise control.

OFFICIAL REGIONAL PLAN

In the area of regional planning and urban development the district has adopted an Official Regional Plan for the entire Lower Mainland Planning Area. The Official Regional Plan sets out the adopted objectives and policies to guide the overall pattern of urban, rural, industrial and recreational land development in the Lower Mainland area. The objectives for the comprehensive development of the region are set in the Official Regional Plan:

1. The orderly, staged, and diversified development of the Region, its communities and its resources.

2. An environment that provides for the health, safety, convenience,
<table>
<thead>
<tr>
<th>Member Community</th>
<th>Population</th>
<th>Total Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>District of Burnaby</td>
<td>130,000</td>
<td>7</td>
</tr>
<tr>
<td>District of Coquitlam</td>
<td>58,000</td>
<td>3</td>
</tr>
<tr>
<td>District of Delta</td>
<td>58,000</td>
<td>3</td>
</tr>
<tr>
<td>Village of Lions Bay</td>
<td>400</td>
<td>1</td>
</tr>
<tr>
<td>City of New Westminster</td>
<td>44,000</td>
<td>3</td>
</tr>
<tr>
<td>City of North Vancouver</td>
<td>34,000</td>
<td>2</td>
</tr>
<tr>
<td>District of North Vancouver</td>
<td>62,000</td>
<td>3</td>
</tr>
<tr>
<td>City of Port Coquitlam</td>
<td>23,000</td>
<td>1</td>
</tr>
<tr>
<td>City of Port Moody</td>
<td>13,000</td>
<td>1</td>
</tr>
<tr>
<td>District of Richmond</td>
<td>67,000</td>
<td>4</td>
</tr>
<tr>
<td>District of Surrey</td>
<td>108,000</td>
<td>5</td>
</tr>
<tr>
<td>City of Vancouver</td>
<td>432,000</td>
<td>22</td>
</tr>
<tr>
<td>District of West Vancouver</td>
<td>38,000</td>
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<tr>
<td>City of White Rock</td>
<td>11,000</td>
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</tr>
<tr>
<td>Electoral Area 'A' (University Endowment Lands)</td>
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<tr>
<td>Electoral Area 'B' (Ioco-Buntzen)</td>
<td>1,100</td>
<td>1</td>
</tr>
<tr>
<td>Electoral Area 'C' (Bowen Island)</td>
<td>350</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,083,350</strong></td>
<td><strong>61</strong></td>
</tr>
</tbody>
</table>

Source: Greater Vancouver Regional District
and satisfaction of the people living, working, visiting, and playing in the Region.

3. The utilization of land in the Region for its most suitable use.

4. A transportation system that provides for the efficient movement of goods and people between the many parts of the Region.

5. A sound regional economy including a broad range of employment opportunities throughout the Region.

As its development policy, the District has divided the entire Lower Mainland Region into Development Areas on the basis of overall land use. These Development Areas are classified in five broad categories as listed in Table V.

The Official Regional Plan sets out general policies with respect to the overall development of the Region and policies for each Development Area — Urban (Established and Developing), Rural (Acreage, Upland, and Lowland), Industrial (Developing and Potential), Park (Established and Potential), and Reserve (Limited Use, Institutional, and Undetermined).

The Individual member municipalities are responsible for development of detailed policies with respect to zoning, subdivision and servicing within these Development Areas.

The purpose of the Development Areas is to designate lands in the Region
<table>
<thead>
<tr>
<th>General Classification</th>
<th>Specific Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Urban</td>
<td>Established Urban (URB-1)</td>
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<tr>
<td></td>
<td>Developing Urban (URB-2)</td>
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<tr>
<td>2. Rural</td>
<td>Acreage Rural (RRL-1)</td>
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<tr>
<td></td>
<td>Upland Rural (RRL-2)</td>
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<tr>
<td></td>
<td>Lowland Rural (RRL-3)</td>
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<tr>
<td>3. Industrial</td>
<td>Developing Industrial (IND-1)</td>
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<td></td>
<td>Potential Industrial (IND-2)</td>
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<td>4. Park</td>
<td>Established Park (PRK-1)</td>
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<td></td>
<td>Developing Park (PRK-2)</td>
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<td>5. Reserve</td>
<td>Limited Use Reserve (RSV-1)</td>
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<tr>
<td></td>
<td>Institutional Reserve (RSV-2)</td>
</tr>
<tr>
<td></td>
<td>Undetermined Reserve (RSV-3)</td>
</tr>
</tbody>
</table>

Source: Greater Vancouver Regional District.
best suited for each type of development as classed in the Development Area Classification.

The Regional District keeps a Long Range Plan Map and a Current Stage Plan Map. As the Region develops, the development areas shown in the Current Stage Plan Map may by modified by plan amendments, in keeping with the Regional objectives, the general policies, the Long Range Plan Map, and the Area Modification Policies of the official Regional Plan.
Constitutionally, the provincial governments in Canada are responsible for the management and control of land. They exercise this control by enacting legislation that forms the basis for public control on land development in the provinces. They control the use and sale of public lands. They set planning and land use regulations. They control forestry and agricultural practices and govern the practice of real estate industry.

In British Columbia, the province exercises the responsibility for planning and development of urban land through municipal governments and the regional governments described earlier. The most important pieces of legislation with respect to the development of land in British Columbia are:

- the Municipal Act,
- the Land Registry Act,
- the Real Estate Act,
- the Controlled Access Highways Act,
- the Strata Titles Act,
- the Health Act,
- the Pollution Control Act, and the like.

Recently, the provincial government has been more actively involved in bringing out legislation that has great significance to the urban land development in the province. The most important legislation has been
the freeze on farm land followed by the Land Commission Act of 1973. This Act established the Provincial Land Commission with the express purpose to preserve land for various uses and encourage the establishment of land banks and land reserves for these uses. The objects and powers of the Commission are stated in Appendix C.

The provincial government, last year, created the Ministry of Housing, which is actively involved in developing programs for housing in the province.

The provincial government affects the development of urban land through various incentives and grants to individuals and the industry. The province of British Columbia gives grants for home-ownership. Recently, it brought out legislation -- the Real Property Tax Deferment Act, which gives tax incentives for housing construction.

In short, the provincial government have all the powers to exert full control on the process of land development.
Part H. FEDERAL GOVERNMENT AND URBAN LAND DEVELOPMENT

Due to the division of powers in the British North America Act, the federal government does not act as directly as the provincial governments with respect to urban development. In the long run, however, it does have a very significant role in the development process. It influences the land development process in many ways through its various agencies and departments; such as the Department of Transport, Department of Housing and Urban Affairs, Department of Defence, Central Mortgage and Housing Corporation, Canadian National Railway, National Harbours Board and the like.

It acts as a large land owner and developer. It builds airports. It builds seaports. These activities have direct impact on opening up of new territories for development and affecting the growth of existing urban areas.

Its major role is as a large national financial institution. It allocates funds for various industries in the country. It participates in financing major projects like bridges and tunnels which have a profound effect on the development and expansion of urban areas.

Central Mortgage and Housing Corporation administers a whole range of programs connected with housing. Under the National Housing Act, C.M.H.C. participates in the financing of a variety of housing and urban renewal programs throughout Canada. Federal government's role can be described as one of proding, inspiring and financing.
CHAPTER III

URBAN LAND DEVELOPMENT SYSTEM AND THE PROBLEM
OF DISTRIBUTION OF DEVELOPMENT VALUES IN LAND
The market value of a piece of property is directly related to its potential to respond to the social and economic needs of the urban community. Its location within the urban agglomeration and in relation to other community facilities, such as, shopping center, business or work center, transportation route, school, recreational facilities, hospital and so on, determine its market value to a large extent. It is for the existence of such organised facilities and services within the urban community that urban property is so much desirable and in demand. This is why urban land is so inherently more valuable than the agricultural land in the countryside. It is for such reasons that the value of a piece of property close to the urban center is much more valuable than a similar piece of land in the suburban area. A residential lot may cost more merely because it is close to a shopping center, or a school, or a bus route, or a recreational park, than another which may be farther away from such community facilities. In fact, the value of a piece of urban property is largely determined by factors that are exclusively social.

Furthermore, as the community grows, more development and redevelopment takes place. More community facilities are built; transportation routes are extended; new highways and major roads are built; trunk services are extended; more shopping and recreational facilities are built and so on. All this urban expansion and growth due to development and re-development and the addition of more community facilities affect the
value of urban properties. The urban land values are, in a very real sense, created by the urban community and its growth.

However, as has been described in Chapter II, development and re-development of land takes place within the framework of the Urban Land Development System. It would be important to examine how this system and the functioning of various development processes within the system affect the value of urban property. Specifically, it is pertinent in the context of this study, to show how the public planning decisions and development controls affect the value of urban property; to relate how the public decisions to invest in development and re-development projects affect the price of land in development areas. The problems that arise out of the structure of the existing development system are discussed in this Chapter. The implication of these problems to the cost and supply of land for development are examined and alternatives to eliminate these problems are discussed in subsequent chapters.
Public development planning is at the hub of the urban land development system. All development, small or large, involves decision taken by the public planning authorities. No development, whatsoever, takes place without having had the approval of the public planning authorities.

The major function of public development planning is to foresee the trends in the growth of the urban community and pave the way to accommodate this growth. It is the job of the public planning officials to study the status quo in the urban land uses and prepare proposals about how the existing land uses should be changed to allow more development and redevelopment to accommodate the growth of the urban community. On a continuous basis they collect information and data regarding the existing urban land uses. They collect data regarding the growing market needs for each type of land use due to the growth of the community. On the basis of this data they formulate proposals about which particular undeveloped land should be allowed for development and which particular existing urban areas should be allowed for redevelopment into a higher land-use or a different land-use such as from existing low density residential to medium density residential, or from existing medium density residential to high density residential or a particular residential property to commercial use and so on.

These proposals include proposals for new civic works and community facilities and services needed to make these new land use changes
possible. Such proposals are represented through various plans, which, when adopted by the civic authorities, form part of the official development policy for the area.

The first in the hierarchy of such plans at the municipal level is the official community plan. The official community plan indicates broadly the changes in land uses proposed for the municipality or the city including the important new public works and other community facilities and services whose construction will be needed to support the new growth due to development and redevelopment proposed in the plan. However, as in the major urban centers, where metropolitan or regional form of governments exercise planning authority over a large number of municipal territories, the municipal official community plans are prepared, where required, within the framework of a metropolitan plan or a regional plan which, in fact, represents land use plan for the whole metropolitan area or the whole region. The extent to which a metropolitan plan or a regional plan is detailed and the degree of authority they have over the municipal official community plans depend upon the degree of responsibility assumed and the extent of powers exercised by the metropolitan or the regional government. In Alberta, with a strong and well-established regional planning base, municipal official plans are even optional. Regional plans are detailed to a great extent and act as guide for the municipalities in their land development programs. On the other hand, in British Columbia, with relatively new regional districts, detailed land use planning is still carried out at municipal level. The Greater Vancouver Regional District,
the largest and the most organised regional district in the province, has adopted an Official Regional Plan which, as noted in Chapter II, is a very broad land use plan within which the municipalities are responsible to prepare their own detailed land use plans or the official community plans.

These land use plans show proposed new sewer and water systems, proposed new highways and roads, transportation and other public services to be coordinated with the proposed new land use changes.

On the basis of these land use plans further detailed plans, usually referred to as zoning plans, are prepared. These zoning plans show in detail which particular group of properties or areas are to be allowed for what particular type of development or redevelopment. All these plans represent official development policy and proposals for development and redevelopment that confirm to these plans are normally given permission to proceed.

There is, however, no commitment on the part of the public authorities, particularly in British Columbia, to undertake any development projects proposed in such plans. It is left to the private developers to come up with development or redevelopment proposals. Private proposals for development and redevelopment are examined with respect to the land use permitted in official plans. The approval is given if the proposal confirms to the land use allowed in the official plans.

Many times, a new development proposal submitted by developers for the
approval of the public authorities does not confirm to the permitted zoning in the official plans and require a change in the zoning to permit the proposed new land use. Usually permission is sought to allow a higher or different land use than is permitted by the officially designated zoning. Such proposals are examined by the public authorities in accordance with set procedures. An example of such rezoning approval procedures common in the Greater Vancouver area municipalities is given in Appendix D.

The proposal is generally assessed on the basis of planning, engineering, environmental and political considerations. The proposal is either rejected or approved or approved subject to changes specified by the public authorities. Usually approval is given and a zoning change is adopted by by-law by the public authorities concerned.

In short, what the public planning process does is to regulate the supply of land for new uses either for development or for redevelopment by administering land use changes.

The significance of public development planning decisions with respect to the value of urban land is quite obvious. It creates and distributes value through land use changes. The potential for development of areas that are designated for development or redevelopment to higher land uses increases to a great extent and so does the market value of such properties. The agricultural land that may be designated for urban development jumps in price instantly with such planning decisions. The market value of properties with existing low density residential
development increases suddenly when public planning authorities designate the area for medium density residential or high density residential development.

The increases in value of urban properties that accompany the land use changes by the public development planning decisions are very substantial. Since such decisions are necessitated by the growth of the community, such increases in value, by any stretch of logical thought, should belong to the community at large. In our system of private ownership of land only the owners of urban properties and other lands potential for urban development reap the benefit of such increases in the value of their properties. The urban land development system does not, in its present form, have any effective means of capturing such community created values for the benefit of the community to which they rightly belong.
Part C. LAND SPECULATION -- A PRODUCT OF EXISTING URBAN LAND DEVELOPMENT SYSTEM

The implications of such gains to private property owners from public development planning decisions and the general growth of the urban community are far-reaching and serious when looked at in the light of many undue practices it gives rise to in the real estate market. Speculation in land, in all its forms, is the result of the expectations for such "windfall" gains from the ownership of land. The very possibility of making such gains from the private ownership of land in and around the urban areas acts as a magnet which attracts all forms of speculative practices in the market for real estate. It is the very structure of our urban land development system, with private ownership of land and landed property on one hand and the public development planning decision-making on the other, that gives rise to undue speculative practices in land and landed property in urban areas. This undoubtedly contributes to the rising cost of land for urban development. Most studies done in the recent past concerning housing and urban land development are unanimous in pointing out the problem of speculation in land as a major factor in rising land costs in most of the urban centers across Canada. The Federal Task Force on Housing and Urban Development, in its report, put it very boldly that 'undue speculation has contributed both to rising land costs and uneconomic and wasteful urban development patterns'.

Land speculation exists in many forms, both at small as well as large
scale in most urban centers across Canada. However, there are four general forms of speculation that have been observed existing in Canadian cities, the fourth having come to light very recently in Greater Vancouver.

The first type of land speculation is the speculative investment in its simplest form. A company or individual buys land, usually a short distance beyond the fringe of present urban development, and then merely waits for those socially-created increments to catch up with his investment. The urban area expands. Land which when purchased may have been little more than unworked farm property suddenly becomes a prime site for development. The speculator, whose only cost has been the marginal taxes charged against "farm land", sells out to a developer and reaps a profit often many times the original investment. The developer is left to service the land, build on it, and pass his inflated land cost on to the eventual purchasers of his houses.

In some cases the developer himself may be the speculator who might have bought the land for his future development activities and thus reaps the enormous amount of profit for himself. In other cases, speculator's role may be performed by an investment company that may be a subsidiary of a large development company. In either cases the large profit from the development of land remains in the hands of private owners. Large and small investment companies and development companies control large tracts of land in and around major urban centers in Canada. Recent studies have shown that most of the land
needed for residential development for the next decade in most Canadian cities is held by half a dozen or so big development companies.

The second type of speculation practice is similar to the first but differs in its scope in the sense that it involves the purposeful holding of urban land from the market for development and thereby contributing to the shortage of land in urban areas. An individual or an organisation of various individuals buys land in the already designated urban areas for speculative holding. They hold the land from development market with the hope of making large profits later on by selling at highly increased prices. Widespread practice of this in itself creates shortage of land available for residential development which results in rapid rise in the value of urban land due to high demand.

In the present urban development system it is left to the private owner of the land whether to build on it or not. In addition the taxes charged against vacant land are much less than the taxes charged against the developed property. The investor speculators thus have an additional incentive in the system for keeping the land idle, contribute to the shortage, push the prices higher and higher, and reap high profits later by selling at inflated prices. This type of speculator includes resident hoarders with large holdings using only a portion for actual residential purpose, non-resident individual speculators, professional land holding and land development companies, and other land investment companies.

Apart from its effects on pushing the land prices up, this form of speculation has given rise to "leap frog" development and created the urban sprawl that is so much evident in most Canadian as well as American cities.
Greater Vancouver is a typical example, illustrative of the results of such unchecked speculative practices in urban land market. The evidence with regard to the existence of such speculative practices is contained in the findings of a recent study, prepared by a local planning firm for the Greater Vancouver Regional District, that deals with the potential of infill land in the Greater Vancouver area for residential development. This infill land is the vacant land within the already designated urban areas of Greater Vancouver that is suitable for residential development.

According to this study, there are over 57,000 acres of infill land within the already designated urban area in the Greater Vancouver Regional District. This infill land is the vacant land suitable for residential development. The study points out that if all this potential infill land was developed at existing densities, it would accommodate the expected urban growth for the next 18 years. This projection assumes that approximately 65% of the development will continue to occur on vacant land and the remaining 35% of the development will occur through redevelopment of existing residential areas.

Most of this infill land has been apparent held off the market for development by the speculators for the purposes of making large profits. They have without doubt succeeded in inflating the prices by creating the shortage and have succeeded in maximizing profits for themselves.

Analysis of the 25 sample infill sites has indicated that 'land with
high potential for economic return *ceteris paribus* was owned or controlled by speculators and professional land development companies. 26% of the infill land was found to be controlled by non-resident speculators and professional development companies.

Owner hoarders were found to be present in practically all sample areas and occupied somewhere between 6% and 81% of the lands in the sample areas. See Table VI.

The infill statistics clearly point out that the infill land under government control is comparatively negligible. The district of Surrey with 27,979 acres of infill land -- almost 50% of the total infill land in the Regional District has no government-owned land. Refer to Table VII and Table VIII.

The third form of land speculation involves older areas in and around the center of the urban area where a redevelopment is overdue. It involves not a lack of use of land, but its serious and purposeful under-use for speculative purposes. It finds its reflection in tracts of prime urban land on which dilapidated structures sit idle or near idle. These tracts of urban land are usually designated for higher land use development from its existing use. As the market for redevelopment of such properties exists, their market value continues to increase. The owners, usually absentee owners, continue to hold their properties from redevelopment in the hope of getting even larger profits in the future from the sale of their properties. A single such property may even withhold the redevelopment of the adjacent properties if it happens to
<table>
<thead>
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<th>MUNICIPALITY</th>
<th>DEVEL. SERIES NUMBER</th>
<th>RESIDENT OWNER</th>
<th>% of Owners</th>
<th>% of Area</th>
<th>ABSENTEE OWNER</th>
<th>% of Owners</th>
<th>% of Area</th>
<th>COMPANY OWNER</th>
<th>% of Owners</th>
<th>% of Area</th>
<th>GOVERNMENT OWNER</th>
<th>% of Owners</th>
<th>% of Area</th>
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<td>15%</td>
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<td>50%</td>
<td>25%</td>
<td>15%</td>
<td>3%</td>
<td>17%</td>
<td>1%</td>
<td>18%</td>
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</tr>
<tr>
<td>PORT COQUITLAM</td>
<td>C74.4</td>
<td>66%</td>
<td>15%</td>
<td>15%</td>
<td>25%</td>
<td>15%</td>
<td>14%</td>
<td>3%</td>
<td>6%</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PORT MOODY</td>
<td>C34.1</td>
<td>69%</td>
<td>25%</td>
<td>17%</td>
<td>4%</td>
<td>11%</td>
<td>44%</td>
<td>3%</td>
<td>27%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RICHMOND</td>
<td>R56.2</td>
<td>88%</td>
<td>80%</td>
<td>8%</td>
<td>5%</td>
<td>4%</td>
<td>15%</td>
<td>0%</td>
<td>0%</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>R22.1</td>
<td>70%</td>
<td>40%</td>
<td>18%</td>
<td>27%</td>
<td>9%</td>
<td>19%</td>
<td>3%</td>
<td>14%</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>R34.2</td>
<td>86%</td>
<td>81%</td>
<td>13%</td>
<td>17%</td>
<td>1%</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>SURREY</td>
<td>S14.2</td>
<td>40%</td>
<td>37%</td>
<td>59%</td>
<td>58%</td>
<td>1%</td>
<td>5%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>S52.4</td>
<td>43%</td>
<td>10%</td>
<td>25%</td>
<td>10%</td>
<td>32%</td>
<td>80%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>S30.4</td>
<td>72%</td>
<td>27%</td>
<td>17%</td>
<td>19%</td>
<td>11%</td>
<td>54%</td>
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<td>0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>S23.3</td>
<td>36%</td>
<td>19%</td>
<td>28%</td>
<td>43%</td>
<td>36%</td>
<td>38%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>S122.1</td>
<td>72%</td>
<td>63%</td>
<td>28%</td>
<td>37%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VANCOUVER</td>
<td>V10.3</td>
<td>49%</td>
<td>34%</td>
<td>44%</td>
<td>37%</td>
<td>6%</td>
<td>17%</td>
<td>1%</td>
<td>2%</td>
<td>0%</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>V38.1</td>
<td>67%</td>
<td>40%</td>
<td>24%</td>
<td>15%</td>
<td>8%</td>
<td>11%</td>
<td>1%</td>
<td>5%</td>
<td>29%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* i.e. For Burnaby (B37.1) Resident Owners make up 70% of all landowners and own 37% of all land (excluding roads) within sample area.
* All figures are approximations and apply only to selected sample area for each site.

**TABLE VI.**

SUMMARY OF PERCENTAGES FOR PROPORTION OF LANDOWNERS TO LAND AREA
(Within Sample Areas Only)
Source: G.V.R.D.
TABLE VII.

<table>
<thead>
<tr>
<th>Infill Area in Acres</th>
<th>Potential Number of Infill Units*</th>
<th>Projected Number of Re-devel. Units**</th>
<th>Existing Number of Units 1972</th>
<th>% Growth to Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>BURNABY</td>
<td>5,013</td>
<td>20,845</td>
<td>36,295</td>
<td>56%</td>
</tr>
<tr>
<td>COQUITLAM</td>
<td>2,413</td>
<td>7,737</td>
<td>12,749</td>
<td>28%</td>
</tr>
<tr>
<td>DELTA</td>
<td>5,102</td>
<td>17,181</td>
<td>12,059</td>
<td>128%</td>
</tr>
<tr>
<td>NEW WEST' R</td>
<td>579</td>
<td>2,865</td>
<td>13,738</td>
<td>19%</td>
</tr>
<tr>
<td>N. VAN. CITY</td>
<td>357</td>
<td>2,138</td>
<td>11,403</td>
<td>18%</td>
</tr>
<tr>
<td>N. VAN. DIST.</td>
<td>4,215</td>
<td>15,807</td>
<td>15,433</td>
<td>100%</td>
</tr>
<tr>
<td>PORT COQUITLAM</td>
<td>2,803</td>
<td>8,854</td>
<td>4,539</td>
<td>194%</td>
</tr>
<tr>
<td>PORT MOODY</td>
<td>875</td>
<td>3,867</td>
<td>2,799</td>
<td>140%</td>
</tr>
<tr>
<td>RICHMOND</td>
<td>4,047</td>
<td>12,506</td>
<td>15,223</td>
<td>82%</td>
</tr>
<tr>
<td>SURREY</td>
<td>27,979</td>
<td>71,926</td>
<td>25,060</td>
<td>285%</td>
</tr>
<tr>
<td>VANCOUVER</td>
<td>1,632</td>
<td>13,868</td>
<td>139,308</td>
<td>10%</td>
</tr>
<tr>
<td>WEST VANCOUVER</td>
<td>2,118</td>
<td>5,069</td>
<td>9,319</td>
<td>55%</td>
</tr>
<tr>
<td>WHITE ROCK</td>
<td>214</td>
<td>1,109</td>
<td>4,758</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>57,352</td>
<td>183,772</td>
<td>302,683</td>
<td></td>
</tr>
</tbody>
</table>

* Potential based on preliminary projection of land use and land consumption by G.V.R.D. planning department.

** Projection from forthcoming study of Redevelopment Potential, Technical Planning Committee, of G.V.R.D.

Source: G.V.R.D. Infill Study, December 1973
### Table VIII.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Location</th>
<th>Infill Potential Ranked by Percent</th>
<th>Infill Potential Ranked by Number of Dwelling Units</th>
<th>Redevelopment Potential Ranked by Number of Dwelling Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Surrey</td>
<td>285%</td>
<td>71,926</td>
<td>1 Vancouver 26,657</td>
</tr>
<tr>
<td>2</td>
<td>Port Coq.</td>
<td>194%</td>
<td>20,845</td>
<td>2 Burnaby 14,570</td>
</tr>
<tr>
<td>3</td>
<td>Port Moody</td>
<td>140%</td>
<td>17,181</td>
<td>3 New West'R 8,487</td>
</tr>
<tr>
<td>4</td>
<td>Delta</td>
<td>128%</td>
<td>15,807</td>
<td>4 Coquitlam 7,472</td>
</tr>
<tr>
<td>5</td>
<td>N. Van. District</td>
<td>100%</td>
<td>13,868</td>
<td>5 Port Coq. 4,830</td>
</tr>
<tr>
<td>6</td>
<td>Richmond</td>
<td>82%</td>
<td>12,506</td>
<td>6 White Rock 4,801</td>
</tr>
<tr>
<td>7</td>
<td>Burnaby</td>
<td>56%</td>
<td>8,845</td>
<td>7 N. Van. City 4,709</td>
</tr>
<tr>
<td>8</td>
<td>West Van.</td>
<td>55%</td>
<td>7,737</td>
<td>8 Richmond 4,000</td>
</tr>
<tr>
<td>9</td>
<td>Coquitlam</td>
<td>28%</td>
<td>5,069</td>
<td>9 Surrey 4,000</td>
</tr>
<tr>
<td>10</td>
<td>White Rock</td>
<td>24%</td>
<td>3,867</td>
<td>10 N. Van. District 3,163</td>
</tr>
<tr>
<td>11</td>
<td>New West'R</td>
<td>19%</td>
<td>2,865</td>
<td>11 West Van. 1,500</td>
</tr>
<tr>
<td>12</td>
<td>N. Van. City</td>
<td>18%</td>
<td>2,138</td>
<td>12 Port Moody 395</td>
</tr>
<tr>
<td>13</td>
<td>Vancouver</td>
<td>10%</td>
<td>1,109</td>
<td>13 Delta 180</td>
</tr>
</tbody>
</table>

Source: G.V.R.D. Infill Study, December 1973
be the key in the assembly of land for a redevelopment scheme to be feasible. The owners of such properties reap the benefit of socially created value increment when private developers pay a large price for putting the land to the kind of positive use its position within the community demands.

Such a practice draws its strength from municipal property assessment procedures based more on what is on the land than the land itself. Taxes on such properties are charges on its existing land use rather than the land use it is zoned for. Thus it is much cheaper tax-wise for the owner of a slum property to keep it in its under-use state than to develop it for its potential capacity. Holding costs for him are marginal compared with the easy and huge amount of profit that he can get in the future just by holding on to it. The assessment system itself gives rise to such speculative practices that cost the community in the long run.

Most studies dealing with the problem of speculation in land are unanimous in pointing out that the present assessment system is an incentive for such speculative practices and needs to be overhauled. The Canadian Research Committee on Taxation has outlined the concept of "site value taxation" to deal with the problem of land speculation. According to this concept the property taxes should be based on the publically created value of land rather than the privately created value of the building on it. In essence, the owner of a piece of urban land would be taxed on what he could do with the property, given its place and demand within the community and not on what he has done with
with it, be it good, bad or indifferent. The Federal Task Force on Housing and Urban Development, in its report, has upheld the use of "site value taxation" as a means to discourage speculation in land.

The logic behind this concept is no doubt indisputable. However, it cannot be considered as the sole means to control the practice of speculation in land. In a market of shortage of land for development, speculators can easily add such increases in taxes to the final price of the property. In such a market the profits made by the speculators are so high that increased taxes do not make any dent in their final returns from ultimate sale of the withheld land. This may even inflate the prices further in the absence of other effective measures to increase the supply of serviced land for development and elimination of speculative attractions within the urban land development system.

So as such, the concept of "site value taxation" is a valid concept when accompanied by other measures such as public land assembly and public ownership on a scale compatible with the private ownership.

The fourth type of speculation in the real estate market is yet the most vicious form of speculation that has recently come to light in Vancouver. This form of speculation takes advantage of the existing shortage in the housing market to make quick profits from frequent sales of properties between inter-related individuals and companies while inflating the housing prices and rents in the market furthermore. In this, basically, money is made by buying a property, remortgaging it for a higher amount because of rising market values and taking out a
profit involved in remortgaging or resale. Rental housing is commonly purchased, usually for resale to a related company, with rents in some cases being raised to justify the securing of a higher mortgage.

In its simplest form, a speculator buys a rental property, maybe a house or an apartment building. He, then, raises the rents for its tenants as high as reasonably possible. In a tight market of housing inflation when vacancy rates are almost nil, it is much easier for the owners of rental properties to charge more rents. Once the rents are raised, the value of the property increases proportionately too. The appraised value of a revenue property is based on the amount of revenue that can be derived from it. The speculator, thus, is ready to sell his rental property for a much higher price than he bought it for. He makes a quick profit from the resale. But if he sells the property to a company that he owns with another of his associates or relatives, he draws his profit from the remortgaging of the property while still retaining his ownership interest in the property. The profit made from such sales can be reinvested into similar activities for making more profits in a market of high demand and shortage of housing supply.

Based on this, repeated sales of a property between a number of inter-related companies is used to push the price of the property as high as possible, while drawing profit from remortgaging at every sale and still retaining the property under the control of such related companies. The use of inter-related companies makes such sales easier and quicker while disguising the interests of individuals involved. This is nothing but
the purposeful use of market mechanism to make quick private profits while inflating the already inflated prices of land and housing. The people who suffer are the tenants who pay the inflated rents.

The activities of one such chain of inter-related companies involving two real estate salesmen and their friends and relatives has been discovered in Vancouver as a by-product of a routine investigation by the Attorney General's department into possible breaches of the Real Estate Act. The story of their operations appeared in the Vancouver Sun and is reproduced in Appendix F.

This, however, is clear case of misuse of the system for private gains at the cost of the community at large, particularly those who by circumstance or choice must rent to live. The fact remains that the existing system is weak enough to allow such misuse of it for private gains at the cost of the general public.
Part D. CONFLICT OF INTEREST -- A BUILT-IN PROBLEM IN THE EXISTING URBAN LAND DEVELOPMENT SYSTEM

Given the basic structure of the existing urban land development system, where the land for urban development is almost wholly owned privately and its development depends upon the will of the private owners and the private market for development, there exists a more fundamental problem inherent in the system. This is the problem of conflict of interest at all levels of public decision-making regarding development, development planning, and development controls. Public officials, elected or appointed, who are responsible for making development and planning decisions on behalf of and in the interest of the urban community, are themselves private individuals having their own private interests in the localities they make planning and development decisions for.

Most elected officials on city councils, who are supposedly representatives of "the people", are only part-time politicians and often have private business or professional interests of their own in the localities they represent. Many of them are, privately, professionals or businessmen involved in professions or businesses related to the real estate industry, and so are obligated by association to the interests of real estate industry. Canada's city councils are full of real estate lawyers, real estate agents, and real estate insurance agents. The other prominent group of occupations is connected with construction industry, architects, small contractors, building supply company people, engineers and so on. According to a recent study, approximately 30% to 70% of members on city
councils are usually from professions or businesses related to the real estate industry.²

These members on city councils do not abandon their business interests and forget their special concern for the real estate industry. They usually carry on their private business activities and remain firmly attached to the interests of their private business and the real estate industry. While as members of city councils they are responsible for making decisions in the public interest, they are at the same time concerned about their private interests and are influenced by pressures from their friends and associates in the real estate property business in their decisions regarding development and planning.

Apart from city councils, there are other municipal bodies, such as, the advisory planning commissions, design panels, technical planning boards, boards of variance and other technical committees, that assess the private development proposals and advise the city councils on design and planning usually in cases of proposals requiring rezoning. Members on such committees and panels are often private professionals having their private business interests related to real estate industry. They, in their judgement and decisions, are very much concerned about protecting the private interests for the sake of protecting their own private business interests. The rezoning decisions are usually in the favour of private developers unless there is insurmountable public opposition.

The public interest is perhaps easier to perceive than to define. The private interest of an individual is obviously much easier to evaluate.
The public decisions almost invariably tend to be in favour of the private interest.

W.L.C. Weaton's paper on "Public and Private Agents of Change in Urban Expansion" gives some valuable insights. He set out to analyze the role of investment and development decisions in the processes of urban change and concluded from his findings that 90% of the decisions are taken in the private sector or in the favour of the private sector.

Thus, the public decision-making process in the urban land development system favours the private interest in most cases and it is obviously at the expense of the public interest. The system ultimately works to the advantage of private gains at the cost of public interest. Since the private interests tend to control the public decision-making process at the municipal level, it works to the advantage of the private sector's speculative activities.

Furthermore, land use planning studies and proposals are continuously prepared and evaluated by the public planning officials at the city planning departments. Proposals for future growth directions are prepared. It becomes necessary to keep important planning information confidential to prevent, if at all, premature speculation by private sector. But how can the information be kept confidential when most planning proposals and studies involve many public officials in various municipal departments and the members of the city councils before the final decisions to adopt such proposals is taken. As most public officials themselves have private professional and business interests
related with the real estate industry and are connected by professional and business associations to the private development industry, it is absolutely impossible to maintain any kind of effective confidentiality. This kind of confidentiality only keeps the general public from knowing about the planning activities, whereas the information invariably reaches the people involved in development and speculative investment business. Planning information is the key to the success of developers and speculative investors and it is not uncommon to find agents of developers and speculators frequenting the city halls sniffing whatever information they can obtain. The system without doubt favours the private interest.

The direct involvement of public officials in real estate is generally not so apparent since their involvement is usually disguised. Many public officials help their friends and relatives by information in their speculative investment business. The information about the interests of public officials in the real estate market emerges occasionally by accident.

In 1973, the Province of British Columbia's government conducted a public inquiry into the alleged involvement of members of Council, officials or employees of the Corporation of the District of Surrey in land transactions, rezoning applications, and disclosure of confidential planning information for private advantages. A number of aldermen were found to be directly or indirectly involved in land deals helping friends and associates in private business concerned with real estate. The Commissioner, Donald S. White, in his report to the government did not, however, find anything illegal in their activities within the framework of
the established system. The report does, in fact, very explicitly point out to the presence of conflict of interest situations and recommends many measures, most important of which are restrictions on the direct involvement of public officials in real estate business within the municipality except their own residential places to eliminate the problem of conflict of interest. But the fact remains that such restrictions will not be able to prevent information from reaching the private real estate business industry whose speculative practices is the main problem in the system. This will not prevent the public officials from indirectly involving themselves in the business through associates and friends.

The inquiry also found out that a former planning official in the Surrey Planning Department was involved jointly with a private real estate salesman friend in a speculative deal in the area during his term of office in 1971-72. In this deal, a property in an area in Surrey that was to be designated for future development was purchased jointly by the planning official and his friend for $2,000, each having an investment of $1,000 in the deal. Later the property was sold for $20,000 giving each a profit of $9,000 in a period of less than a year.

In the present form of urban land development system this sort of speculative practices are bound to exist, rather encouraged, unless some basic changes are made in the system so that the development value increments in land are funneled to the advantage of the urban community that generates such land values. One way to eliminate the problems of speculation and conflict of interest would be to replace the private
ownership of urban land with public ownership so that the speculative profits will go to no other than the community itself where they rightly belong. But politically this is bound to be an unacceptable solution in a free enterprise system. Another alternative of public involvement in the management and development of urban land on a scale competitive with the private sector seems to be a more acceptable form of reform within the system which is presently heavily in favour of the private market and has proved costly to the public at large. This alternative is discussed in the next chapter.
Part E. FRAGMENTED PUBLIC DEVELOPMENT PLANNING AUTHORITY — A PROBLEM IN THE FACE OF PRESENT REGIONAL URBAN REALITY

Much of the urban land development planning and development controls is carried out by the municipal governments in most parts of Canada. Even though almost all studies in the relevant fields of economics, sociology, ecology, urban geography, and the like recognize that the process of urban growth is a regional one, operating on a relatively broad geographical basis stretching out from the core of the country's major urban conglomerates, the essential powers of planning and development in these major urban areas rest in the hands of not one, not two, but up to 10 or 15 different local governments. Each of these local governments admits that its problems and concerns do not end at its municipal boundaries, yet each of them is reluctant to cede to a larger government sufficient authority for it to exercise the necessary overview on the growth of the urban area. This fragmented public planning authority makes overall urban development uneconomic and irrational and is a major obstacle in the development of comprehensive programs and policies to solve our urban problems.

A National Commission on Urban Problems in the United States, in its report, commented that much of the urban problems in that country "spring from using 19th century controls and attitudes in an attempt to mold and contain 20th century cities faced with 21st century problems." The same comment could be offered in respect of several elements within the Canadian urban structure and is much more applicable to the kind of
political structure on which we rely for the planning and development of our urban areas. They are indeed 19th century structures attempting to deal with 21st century problems. In terms of political organization, Canada, still, seems closer to the walled city concept of ancient Greece than to the urban world of the 20th century.

Although, in the recent past, there has been a movement towards the establishment of regional forms of government in many provinces across Canada, with British Columbia and Ontario being in the forefront to do so, these regional governments have not, yet, been able to assume any effective level of control on planning and development on regional scale. The progress in the assumption of responsibility for planning by the regional governments have been slow due to the reluctance of municipalities in the acceptance of regional government authority.

In British Columbia, the Greater Vancouver Regional District has been the first to assume responsibility for the region's overall planning. As we have noted in Chapter II, the Official Regional Plan for the region divides the entire Lower Mainland Region into very broad land-use classifications, such as, urban, rural, industrial, park, and reserve (see Table V). Detailed land-use planning, and servicing are left to be carried out by individual municipalities of which there are 17 in the Greater Vancouver Regional District alone. This is a very loose form of planning control, since the "urban" category can include anything from a village to a high-rise apartment and commercial development; as long as no distinction is made between
different types of urban development, regional planning can hardly function at maximum efficiency.

The decisions regarding where to permit what type of urban development, residential or commercial, how much of different categories of residential development, what community facilities to be built remain to be taken by individual municipalities. Such being the case, the overall land and housing requirements for the region can hardly be accurately estimated and much less provided for to meet the demand.

Furthermore, there is a tendency with the municipalities to restrict the growth in their areas and this parochial attitude of different municipalities makes it further difficult to cope with the demand for serviced land for housing development and to relieve the situation of shortage of housing in the market. This policy of restricted growth adds to the existing shortage resulting in ever increasing prices of land and housing. The attitude of parochialism reflected in the policy of restricted growth by individual municipalities shows complete disregard for and inability to understand the overall needs of the urban region as a whole. In the Greater Vancouver area those municipalities, with the largest potential for accommodating new growth, seem to be the ones with most restrictive growth policies. Surrey, Delta, and Coquitlam, having the greatest potential to accept new development have the most time-consuming and complex development approval process reflecting a policy of restricting the growth of these areas. Proportionately, they seem not to be carrying their share of the burden of permitting new
development (see Table IX). This policy is also reflected in the high impost charges, development and building permit costs, and high standards of servicing required and other charges for approval in these municipalities (see Appendix E).

Other problems that arise out of fragmented planning jurisdiction in a large urban area are, the multiplicity of planning and zoning regulations, the multiplicity of servicing and building standards and requirements for other facilities, which indirectly add to the cost of development. Each municipality has its own zoning bylaws and building bylaws and different sets of approval procedures resulting in complexities that the developers have to cope with in obtaining the development approvals. It is a very common complaint that our municipal development approval procedures are too complex, cumbersome, time-consuming and utterly inefficient. A general development approval process, most commonly used in the Greater Vancouver area municipalities, is shown diagramatically in Appendix D.

These difficulties and problems that arise out of the fragmented public planning authority and by any measure costly to the public interest at large can be met by planning at a scale having realistic relationship to the whole urban area. That is by the assumption of detailed planning responsibility by the regional government. Urban growth is a regional process and demands regional planning. Regional government must have the authority to control urban growth and development through zoning at a regional level and scale. They must be given power over the municipalities to make regional planning effective. At the same time they
TABLE IX. SUMMARY OF LAND AVAILABILITY AND UNITS IN PROCESSING STAGE - APRIL 1974

Due to lack of availability of information regarding totals of servicable land, this table can only be considered to indicate a very general idea of municipal housing performance.

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>BURNABY</td>
<td>22,520</td>
<td>7,818</td>
<td>5,013</td>
<td>496</td>
<td>1,119</td>
<td>544</td>
<td>1,027</td>
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<td>COQUITLAM</td>
<td>29,985</td>
<td>20,920</td>
<td>2,413</td>
<td>450</td>
<td>555</td>
<td>524</td>
<td>188</td>
<td>400</td>
<td>390</td>
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<td>DELTA</td>
<td>45,894</td>
<td>12,900</td>
<td>5,102</td>
<td>1,729</td>
<td>96</td>
<td>1,452</td>
<td>21</td>
<td>1,505</td>
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<tr>
<td>NEW WEST'R</td>
<td>3,775</td>
<td>639</td>
<td>579</td>
<td>21</td>
<td>149</td>
<td>19</td>
<td>742</td>
<td>0</td>
<td>411</td>
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<td>N. VAN. CITY</td>
<td>2,879</td>
<td>393</td>
<td>357</td>
<td>36</td>
<td>516</td>
<td>12</td>
<td>660</td>
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<tr>
<td>N. VAN. DIST.</td>
<td>40,693</td>
<td>27,345</td>
<td>4,215</td>
<td>402</td>
<td>427</td>
<td>521</td>
<td>675</td>
<td>75</td>
<td>621</td>
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<tr>
<td>PORT COQUITLAM</td>
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<td>4,164</td>
<td>2,803</td>
<td>289</td>
<td>64</td>
<td>282</td>
<td>-</td>
<td>150</td>
<td>556</td>
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<tr>
<td>PORT MOODY</td>
<td>3,357</td>
<td>1,595</td>
<td>875</td>
<td>23</td>
<td>-</td>
<td>38</td>
<td>78</td>
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<tr>
<td>RICHMOND</td>
<td>32,480</td>
<td>9,489</td>
<td>4,047</td>
<td>718</td>
<td>996</td>
<td>1,529</td>
<td>336</td>
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<tr>
<td>SURREY</td>
<td>79,317</td>
<td>35,502</td>
<td>27,977</td>
<td>1,070</td>
<td>1,420</td>
<td>1,158</td>
<td>989</td>
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<tr>
<td>VANCOUVER</td>
<td>28,680</td>
<td>1,915</td>
<td>1,632</td>
<td>601</td>
<td>1,936</td>
<td>699</td>
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</tr>
<tr>
<td>W. Vancouver</td>
<td>22,503</td>
<td>16,250</td>
<td>2,118</td>
<td>139</td>
<td>183</td>
<td>165</td>
<td>47</td>
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<td>114</td>
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<tr>
<td>WHITE ROCK</td>
<td>1,281</td>
<td>214</td>
<td>214</td>
<td>108</td>
<td>347</td>
<td>77</td>
<td>492</td>
<td>0</td>
<td>17</td>
</tr>
</tbody>
</table>

Totals 320,248 138,930 57,347 5,982 7,808 7,020 7,865 6,098 11,290

* Does not include units approved or under construction.

** All municipalities commented that the processing time depended on accuracy and completeness of the developer application. Surrey, Delta, Richmond and West Vancouver had project applications dating back to 1972 and prior.
must set up common development standards and regulations for the entire region as a whole to make development procedures more efficient and economical. In British Columbia, we have already established a framework of regional governments, what is needed is further more planning responsibility and powers to make regional planning effective and eliminate the problems of fragmented authority that exists in the present set up.
SUMMARY

The fundamental weakness of the existing urban land development system appears to lie in the very basic structure on which the system functions and is built upon. On one hand, the land for urban development is almost wholly under the ownership of private individuals and private companies and its development depends upon the will and ability of the private owners and the private market for development. On the other hand, the development planning decisions and development regulatory controls are exercised by the public authorities.

The process of urban development growth, and the public development planning and public development and investment decisions continually generate development values of the urban land. These value increments in the urban properties under private ownership under the present system are retained exclusively by the private property owners, where, in fact, these increments created by the community growth and public decisions rightly belong to the urban community.

The possibility of making large gains from the private ownership of land due to the inevitable increments in urban land values from community growth and public planning and development decisions gives rise to many forms of speculation which result in ever rising price of urban land and housing. The system further gives rise to the problem of conflict of interest at all levels of public development planning decision-making and works to the advantage of the private interest over the general cost of public interest. This, at the same time, adds to the speculative elements
in the land development market.

The existing system does not have any effective means to channel the socially-created development values of land back into the community whose growth creates these increments in value.

Our system of municipal assessment, being based on what is actually existing on land rather than its potential for development, discourages its full development, creates land and housing shortage in the market, encourages land speculation practices, and, thus, adds to the land and housing price inflation.

Fragmented public planning authority in our large urban areas makes effective regional planning, so necessary in the present urban reality, difficult. The conflicting interests at the municipal level and the regional level makes it difficult to arrive at decisions regarding development programs and projects affecting the entire region. Parochial attitudes of the municipalities make development process slow and inefficient to meet the market needs for land and housing development. This also results in the multiplicity of standards and development regulations in the same urban region. The bureaucratic inefficiency in the development approval process without doubt adds to the cost of development and ultimate cost to the home buyers.

The regional governments, specifically in British Columbia, do not possess the necessary powers to have planning and zoning controls on the development of the regions. Without zoning controls it is not possible to direct
the development of the region on an effective basis so as to meet the needs of the region for serviced land for development and so affect the price of land and housing.

In short, the existing system is heavily in favour of the private interest and so weak to be easily misused for private advantages. Public interest remains at a gross disadvantage. This results in inflation of land prices and increased overall housing cost to the public.
CHAPTER IV

PUBLIC ACQUISITION, SERVICING, AND DISPOSAL

OF LAND FOR DEVELOPMENT
Part A. PUBLIC LAND ASSEMBLY, LAND BANKING, AND DEVELOPMENT CONTROL -- A VIABLE MEANS TO CONTROL URBAN LAND PRICES

From our analysis of the existing urban land development system in the last chapter it becomes clearly obvious that in its present form, where land for urban development is almost wholly owned privately and its development relies upon the will of the private owners and the market, the benefits of the socially-created value of the urban land resulting solely from the growth of the urban community and public development planning decisions, remain in the hands of private owners of the urban-designated land. The value of urban land is mostly created by the urban growth of the community and as such should rightly belong to the urban community at large, but in the present system it benefits only the owners of urban property. The system, in fact, transfers the community-generated capital to the private owners of property and, thus, works to the benefit of private interests at the cost of the public interest.

This itself is the root-cause from which all forms of speculative practices that have plagued the land and housing market stem. Speculation is the product of the existing system and a major factor in the enormously high prices of land in the urban areas.

If we are to succeed in controlling the rising prices of urban land for residential development, we must, first, find ways and means to eliminate the practices of speculation. As we have recognised that speculation is the outcome of the existing urban land development
system itself, the solution must, then, lie in changing the system and making necessary reforms so that it no longer can be used for private speculative gains from the ownership of land. Speculation is a serious problem and must be dealt with by eliminating its causes that obviously lie in the system. As Claude B. Le Gros rightly puts it:

"Problems are not solved on the level of problems. Analysing a problem to find its solution is like trying to restore freshness to a leaf by treating the leaf itself; whereas the solution lies in watering the roots."

We must modify the existing system so that socially-created increments in the value of urban land for development can be distributed back to the advantage of the urban community rather than letting it remain in the hands of private land speculators.

Furthermore, such a solution must be such that it is applicable and feasible in the light of the political, social, economic, and mental attitude of the people of the country.

One alternative to the present urban development system would be to eliminate the private ownership of land and bring all land under public ownership. This would solve the problem of distribution of development values of land since any increment in the land value will remain with the public authorities for the overall benefit of the public. Speculation will be automatically eliminated with the elimination of private ownership of land. But such a solution would be totally unacceptable and impractical in our free-enterprise system in which
private ownership is so much valued and private property rights so jealously guarded. This would, without doubt, be branded as "Marxist" solution.

So it would be more practical and logical to consider other solutions to eliminate speculation and can function within our free-enterprise system and still preserving the much valued institution of private property ownership.

In dealing with the problem of speculation we are concerned with safeguarding the public interest from being overrun by the private interest. In the present system, where most of the urban land and other potential development land is owned privately, public interest is clearly overlooked and taken advantage of by the private interests. To safeguard the public interest, public enterprise in land ownership and development must be made compatible with the private ownership and private enterprise in land development. It can be argued that to protect the public interest in the development market it must be made strong enough to deal with those market forces that tend to take advantage of it for purely private purposes, i.e., speculative practices. It can be done only if large-scale land ownership by the public is combined with the existing planning and development control by public authority. Public ownership of land and its control on development must be at a scale at which it can have a controlling effect in the private market to protect the public interest.
The theory of land assembly in advance of development has been suggested and strongly recommended by many studies to control speculation and check uncontrolled and uneconomic urban sprawl. The exorbitant profits of private land speculation would be turned to public benefits, financing additional public acquisition of land in advance of need.

Two recent studies, the report of the Federal Task Force on Housing and Urban Development in Canada, and the Dennis report, are unanimous in recommending public land assembly and development of urban land at municipal and regional level to solve the problem of high land prices and urban sprawl.

"Municipalities or regional governments, as a matter of continuing policy, should acquire, service, and sell all or a substantial portion of the land acquired for urban growth within their boundaries...."

Being aware of the fact that such an operation is out of the ability of the municipal or regional governments as far as financing is concerned, they further recommend that:

"The federal government should make direct loans to municipalities or regional governments to assist them in assembling and servicing land for urban growth."

These recommendations are repeated and elaborated upon in the Dennis report, which states that a large scale land-banking program:

"would entail the acquisition of a sufficient supply of land to meet all urban residential requirements for a ten-year period, although the land would be marketed over a longer period of time (at least twenty years). The public land banks would market from one-quarter to one-half
of the land required in any given year and thereby set the pricing pattern. They would be in a position in any given year to flood the market and depress prices."²

The Dennis report also suggests that the municipalities should have greater control over the assembly and development of land and should be given increased grants and loans by the provincial and federal governments as well as increased municipal revenue sources. Finally, heavier taxes on land-sale profits are recommended.³

Similar suggestions have been put forward in many studies and reports done in the United States. During the late 1960s several major reports of national significance dealt in some way with public acquisition and disposal of land. A summary review of five major reports by David Heeter stated:

"One of the most important recommendations of the reports is that local governments should be empowered to intervene directly in the development process by purchasing or condemning land and selling or leasing it to private developers, subject to conditions....

"The technique recommended by the reports is commonly referred to as land banking: the acquisition of land several years in advance of urbanisation. However, most of the reports would apparently not limit temporally the power to acquire and dispose of land; they would allow local governments to acquire and market land at any time to achieve allowable objectives."⁴

John W. Reps, Professor of City and Regional Planning at Cornell University, at the 1967 ASPO Conference presented a paper in which he proposed that:
"land at the urban fringe which is to be developed for urban uses should be acquired by a public agency. Acquisition, in fact, should run well ahead of anticipated need and include the purchase or condemnation of idle or agricultural land well beyond the present urban limits. The public agency, therefore, should be given territorial jurisdiction which not only includes the present central city and the surrounding suburbs but a wide belt of undeveloped land."\(^5\)

Recognising the present urban reality of large urban agglomerations, he further reinforces his proposal by suggesting that:

"Land scheduled for early development should be designed in detail, confirming to a general, comprehensive, and long-range metropolitan growth plan. The public agency, directly or indirectly, should install all street and utility improvements and retain all sites needed for such public facilities as parks, schools, and other neighborhood and community needs. The remaining land should then be disposed of to private builders by sale or lease, the aggregate price to reflect full acquisition and improvement costs but no profit. The terms of the sale or lease should include adequate safeguards to insure development only in conformity to the detailed plans prepared for the area."\(^6\)

The list of quotations from various sources in favour of the public land assembly, land banking, and development control can run to a great length, but they all, invariably, point out that to control the high cost of urban land and its orderly and economic development public intervention in the market for land and its development is essential and this must be at a sale large enough to be able to control the market.

Most experts concerned with the urban land development, such as, urban planners, environmentalists, and the like, argue that land is too
A committee of planners, in a statement on behalf of the Town Planning Institute of Canada, entitled "The Role of Town Planning in Canada" puts forward its view that:

"To the landowner and to the developer, land is a commodity. To the planner it is a resource. If land is regarded as a commodity, then the concern for its best use becomes secondary aspect to the conditions of its sale and purchase."

The truth of this statement is evident in the mess our cities represent and is without doubt the result of the private markets treatment of land as a commodity. Profit motive is the dominant determinant in dealing in land and its development in the private market. The unsatisfactory environment of our urban areas reflects the dominance of that "commodity" view of our urban land.

The committee further states that: "if land is regarded as a resource, then the first concern in any change in land use must be to see that land is put to its wisest use, and that in whatever development is carried out it follows the highest standards of economic and social well being and aesthetic satisfaction."

Private market for land development is too fragmented to be concerned with looking at land as a resource and being able to conceive any development at a scale that would be to the total benefit of the community, socially, economically, and aesthetically satisfying whole. This is a task that can be only taken up by the higher public authorities, municipal, regional, provincial and federal combined.
William J. Nicoson, in his article on "Land Use Controls", states that 'like all valuable and finite resources, land should properly be the subject of intense public concern and its uses the subject of close public scrutiny.'

The concept of public land assembly, land banking, and development control is not new nor radical and has been successfully used in European countries such as Sweden with a democratic political set­-up, and also in the Canadian provinces of Alberta and Saskatchewan. The results of this concept in use have confirmed that it helps in orderly and economic development and in keeping down the prices of urban land and housing.

Commencing in the 1950s, the Central Mortgage and Housing Corporation of Canada initiated federal financial assistance programs for municipal land-assembly projects under Section 40 of the National Housing Act and later, in the 1960s, under Section 42 of the Act.

Section 40 provides for municipal land-assembly and development for both public and general housing under a federal-provincial partnership. Seventy-five per cent of the capital cost of the land-assembly project is covered by the federal government and 25 per cent by the provincial government. Most provinces ask the municipalities to participate in the provinces' share of costs. Losses and profits are divided on the same percentage basis as the costs among the three governments. The federal government retains 75 per cent ownership of the project.
Section 42 provides loans at preferred interest rates equal to 90 per cent of the capital cost to the province for the assembling and servicing of lots for public and general housing. The province pays the remaining 10 per cent of the cost and is full owner of the project. Fifty per cent of the operating losses are subsidized by the federal government and the province pays the rest.

These programs, however, have not been used mainly for reasons of strong developer opposition to these programs and inadequate federal funding. CMHC funds for land-assembly programs over the past two decades have been only two per cent of its loans expended for housing. The only provinces that have made use of these programs to a limited extent are Alberta, Ontario, and Saskatchewan. British Columbia has practically remained out of participation in these programs.

The provinces of Alberta and Saskatchewan, particularly, used programs under Section 42 and Section 40 to finance their land assembly, land banking, and development projects to a very great extent and have been successful in controlling the urban development and keeping the prices of land and housing down. The experience of these two provinces in land assembly and land banking with development controls is discussed hereafter.
Part B. ALBERTA AND SASKATCHEWAN

The longest term Canadian experience in public land assembly and development has occurred in Alberta and Saskatchewan, where municipal land banking has been practiced since the 1930s. Municipal land banking emerged largely from historical accident when the municipalities in these two provinces acquired a substantial amount of tax-delinquent land during the Depression. The land was subdivided and some of it was developed as part of a "make-work" policy prevalent then. Subsequently, a strong municipal role in land development began to take shape. Over the years acceptance of public land ownership and experience in management and development of tax lands have made possible effective large scale municipal land development in these two provinces. In several municipalities, municipal land acquisition and land banking, coupled with land development controls, have been utilized to reduce residential land costs. By providing semi-developed land at lower than prevailing market prices and by encouraging orderly, compact, lower cost land development, land price inflation seems to have been reduced effectively and high quality urban development has been achieved for a broad range of income levels with a good range of services and amenities.

The two provinces have experienced rapid population growth in the past two decades and expect approximately a 45 per cent further increase in population during the present decade.

This population growth will increase considerably the demand for residential land in the urban centers, where most of the growth is
expected to take place. Urban growth policies, accordingly are directed toward achieving integrated urban growth by combined programs of land banking, annexation, staged development, and, more recently, metropolitan-wide transportation development.

Although large scale municipal land acquisition and development practices have been in existence in both provinces for several decades, in Alberta they have been operating within one of the most sophisticated planning systems in Canada. Alberta's planning legislation provides a strong base for comprehensive and coordinated planning and development at the regional and local levels of government, whereas Saskatchewan's planning legislation provides little basis for concerted planning or even contact between levels of government except in Regina and Saskatoon.

The planning system of Alberta merits attention since it has been instrumental over the years in providing municipalities the experience of direct involvement in the urban development process, particularly as it relates to the location, control, design, and pace of urban development. Alberta's experience explains in part why the province and its municipalities have participated to a greater extent in the Section 42 program of federal loans for land acquisition than any other province. They have not participated in the Section 40 program of federal-provincial partnership for land acquisition. Saskatchewan with a less developed planning system has used only the Section 40 program to a limited extent.

The legal basis of Alberta's planning system is the Planning Act of 1913. This legislation first became important in shaping urban growth during the
mid-1940s, when large oil resources were discovered. Much of the rapid urban expansion that occurred took the form of unattractive, uneconomic, fringe area development. Between 1949 and 1954, the population of many small towns jumped 20 per cent. In some instances, town populations doubled. Alberta's two major metropolitan centers, Edmonton and Calgary, experienced the highest growth rate of all Canadian cities. The provincial government, recognizing that some local governments could not cope with land development that often went beyond their boundaries, strengthened their planning legislation, providing administrative machinery for the integrated planning of urban and rural land uses through comprehensive planning on the local, regional, and provincial levels.

The Alberta legislation provides for regional planning commissions which develop regional plans for their principal planning areas, including the major cities and communities within a 50-mile radius. The preparation of municipal plans is optional; but, if they are used, they must be prepared within the framework provided by the regional plans and must state how developable land will be used during the next 15 to 20 years.

A significant feature of the provincial legislation is its emphasis on the achievement of "orderly and economic development of land". Municipal plans must include:

- a schedule setting out the sequence in which specified areas of land may be developed or redeveloped and in which public services and facilities...should be provided in specified areas and proposals relating to the financing and programming of public development projects and capital works...be undertaken.
The other feature is the provision of replatting schemes successfully used in Alberta to promote good development in accordance with municipal plans. Where development is hindered by poorly designed layout and there is public and private ownership, resubdivision may be carried out by replatting. The municipal council pools all the parcels of land involved, allocates 35 per cent of the land to municipal uses (i.e., public reserves, and facilities), then redistributes the remaining 65 percent to the owners so that each retains a contiguous group of lots or parcels proportional to his original holding.

Before a replatting scheme can be drawn up, consent of 90 percent of the landowners involved must be obtained. The municipal council then prepares a replatting scheme which can be implemented only with the approval of owners of 60 percent of the land in the scheme. Approval is usually obtained through negotiations with the landowners. However, in the case of a nonconsenting landowner land can be purchased compulsorily. The amount of compensation awarded is spread on a front-foot basis among the other landowners involved in the scheme.  

The emphasis on comprehensive planning and staged development in the Alberta Planning Act and its provision for municipal involvement in planning design has provided solid basis for development planning by municipalities. By affording them strong planning and implementation techniques and by reducing the number of problems which can arise from multiple jurisdictions, the Act has made possible several successful municipal efforts to curb land speculation and to increase the supply of
residential land through large scale assembly and development. The cases of Edmonton and Red Deer in Alberta and the case of Saskatoon in Saskatchewan are chosen to illustrate the effectiveness of public land assembly, land banking, development controls.
EDMONTON

Edmonton is a northern prairie city which has experienced rapid and excessive population growth and has achieved a very good quality of development with a high level of amenities and little urban sprawl. The metropolitan area, 4,000 square miles, has met urban development land need by well-planned infill of older, partially developed areas, and, more recently, by municipal land acquisition and development. During the 1960s, the population of Edmonton increased by 50 per cent; it is expected to increase at about the same rate during the 1970s.

In 1968, the expansion rate of 12,500 residents per year required 350 acres of new residential land; 200 acres for industry; 200 acres for new roads; and 60 acres for parks, schools, and other facilities.12

Edmonton has a lengthy experience in land-use control through public land ownership and development which began in the 1930s, when 3,000 acres of tax-delinquent land were acquired by the city. After the first large oil discovery in the province in 1947, there was an increase in demand for land. Many city-owned lots were sold for private development. Much of this land had been subdivided but owned by the city in large contiguous blocks. Where city-owned land was scattered with intervening private ownership and where subdivision designs and/or open space and community facility provisions were below contemporary standards, the redesign that was necessary was achieved by replatting schemes as provided under the Planning Act.

In 1949, the city of Edmonton began preparing its municipal plan. The
document was referred to informally as the "Evolving General Development Plan," since many of its provisions were adopted officially prior to the official adoption of the plan itself. The municipal plan included a design for municipal neighborhood units, the size and boundaries of which were determined by the area requirements of a public elementary school. Where area requirements of a neighborhood unit involved a re-platting scheme, the required approval of 60 per cent of the landowners was made easier to obtain by certain builders who bought up large blocks of land in the proposed neighborhood unit. In doing so these builders automatically committed themselves to the scheme, thereby assuring that the 60 per cent criterion would be met. 13

During the late 1950s, general urban, industrial, and related development was using up agricultural land at the rate of 2,200 acres a year. In 1957, a major amendment to the Planning Act required municipal conformance to the regional plan of the Edmonton Regional Planning Commissions, which until then had been primarily advisory. Subsequently, private land development was subject to a large number of restrictions, which still exist today. Among these restrictions are municipal ownership and provision of all utilities, including telephone and electric services. Other restrictions under the regional plan require that areas surrounding the city, and some areas within, the city, be zoned for agricultural use only; septic tanks and wells are not permitted; and development permission is not given unless utilities equal to the municipal standards are provided by the developer. Because of these restrictions, urban land development was confined primarily to land sold by the city to
developers; between 1945 and 1960, 90 per cent of the city's development took place on such land.

By the mid-1960s, the net result of the city of Edmonton's involvement in land development through public ownership of land and the enforcement of land-use controls was compact, orderly, land development. But the supply of land serviced by the city was dwindling and the cost of land was rising rapidly. In 1960, the price of rural land was $6,000 an acre and, by 1970, it had increased to $14,000 an acre. Both privately owned and city-owned lots in 1960 sold for $3,500, including $1,700 for utilities. In 1970, private lots were selling for $6,000 without services; with services, from $8,500 to $9,000.

In the late 1960s, Edmonton developed a municipal plan in its effort to combat residential-land price inflation as well as to meet the continuing need for well-planned residential expansion. This plan proposed a program of residential expansion on a neighborhood unit basis and added a framework of residential acres of much larger scale served by such facilities as senior high schools, health clinics, branch libraries, and major commercial centers. Included in the proposals was a freeway system which would link these residential areas to the downtown area of Edmonton as well as to recreational areas beyond the metropolitan area. They will also be served by the Edmonton Transit System.

MILL WOODS CITY EXTENSION

Five of the areas which have been designated for residential expansion
already exist as major growth areas and are satellite communities within easy commuting distance of Edmonton. The sixth area, Mill Woods, also within commuting distance, is a city expansion comprising 5,500 acres in a 9-square-mile planning area which will accommodate housing for over 120,000 people or 35 per cent of Edmonton's residential growth during the next 20 years. In addition to its size, the Mill Woods tract of land is notable for its location. It is the first publicly approved major land-assembly project in Canada to be acquired in close proximity to the central city—only five miles from the central city business district.

The Mill Woods project was initiated by the city of Edmonton in January 1970 for the purpose of creating a public land bank large enough to curb rising residential land costs in the Edmonton area. The city requested that the provincial government of Alberta purchase the land under the Alberta Housing Act. "This Act provides for provincial land assembly for residential development with federal assistance as provided for under the National Housing Act. In the summer of 1970, an agreement was reached between the city of Edmonton and the Alberta Housing Corporation, to achieve the following objectives:

The maintenance of a continuous and adequate supply of land for housing so that the trend to spiraling costs, particularly for land, may be reversed; and

The progressive servicing of land in the area (within the framework of the Alberta Housing Act of 1968, the National Housing Act, and the Planning Act (each as amended) to provide public and private housing of good quality at minimum cost."
The agreement also states that marketing techniques designed to meet program objectives are to be agreed upon by the city and the Corporation.

Acquisition of land for the Mill Woods site was commenced by the Alberta Housing Corporation in July 1970 and was completed in two months' time. Land prices were reasonable. Since the Mill Woods site was outside the city limits (it subsequently has been annexed), it comprised agriculturally zoned land which was purchased by the Corporation at agricultural land prices. The lowest price was $600 an acre. The average price was a little more than $2,000 per acre. High-level cooperation between the city of Edmonton and the Alberta Housing Corporation was a critical element in the purchase of land at low prices. Relatively few officials from Edmonton's City Planning Department, only two or three officials from Alberta Housing Corporation, no one from the Central Mortgage and Housing Corporation knew about the land acquisition project during the negotiations. Several private solicitors negotiated the purchases, most of which were cash transactions. The total cost of land acquired was $9,000,000.

From this land bank, the city will buy land in stages over a 15-year period in accordance with the schedule of projected land cost listed in Table X. Pricing of lots by the city will be related to:

- the effect pricing policies will have on other areas;
- the generation of funds for other land programs;
- the local economic situation with regard to availability of mortgage funds;
- the volume of services and serviceable land for housing in the city;
- the demand for housing of various types; and
- the economic capabilities of the home buyers and tenants.15
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<th>Year</th>
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<th>Cost Per Acre</th>
<th>Accumulated Cost (With Interest) Total</th>
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*Total average costs per acre over the 15-year period are expected to be $3,680, i.e., the average annual amount which must be recovered from land sales.

The city of Edmonton's principal purpose in public ownership of land is not to maximize returns but to lower housing costs. There are several potential benefits to home-owners and renters arising from public land ownership and development. Lower land prices will permit residents to have higher quality housing, since more of the housing budget can be allocated to the building itself; or, alternatively, because of lower land costs, a larger percentage of Edmonton's population will be able to purchase new housing.

The city hopes to achieve these ends by development of a large block of land with municipal servicing and planned access to the central city by rapid transit and freeway. To curb the increase in residential land values in the Edmonton area, the city will offer Mill Woods sites at lower prices than the prevailing market prices for large blocks of privately-owned land holdings similarly located at the periphery of the city. Full municipal control over the extension of utilities and approval of developments in all developing areas provide added controls on the metropolitan area urban land supply. As the result of economics of scale and lower returns on investment, by 1972, the city was able to offer single-family-lots at prices between $2,475 and $3,300 — about one-half the price of private lots. The average price of a serviced lot was $105 per front foot. Cost of land for multiple housing was $2,000 per gross acre. Low land costs for multiple housing will permit a substantial increase in the supply of public housing, most of which will be constructed as multiple housing units. The city is committed to provide 5 per cent of the land for public housing projects and other
public purposes.

The plan for Mill Woods calls for a mixture of single-family houses, duplexes, terraced housing, apartments and public housing. In 1972, the city was offering fifty-five foot lots for $5,940 including services, whereas private market price was about $9,500. The city was offering land for terraced housing at $27,000 per acre whereas the average price in other parts of the city ranged between $40,000 and $50,000 per acre. Sites for walk-up apartments were being offered at $34,400 an acre while the prices for similar development in other parts of the city ranged between $55,000 and $70,000 an acre.

In order to prevent profiteering on single-family-house lots marketed by the city at low prices, an agreement is required of land purchasers regarding resale costs and building commitments. Apartment sites may be sold to developers who will guarantee that they will maintain a certain rent level for a fixed period of years. This is a negotiable item which would be considered in competitive bids for sites. Profiteering on increment in land value by house owners also will be discouraged by provisions in the terms of sale which will prevent Mill Woods' homeowners who sell their homes from purchasing another home in the development area for a period of five years.

Current plans call for sale of the land in fee simple, including commercial land. The reason expressed for not considering leases is that a large organisation would be required to administer leasehold transactions and the municipality is interested mainly in achieving lower
cost, high-quality urban development rather than returns from long-term management.

Development of the first neighborhood (Richfield) is now underway. The initial offer of single-family-house lots was made in the spring of 1972. Seventy per cent of the lots were offered to individuals and thirty per cent to builders. Disposition of lots was made by drawing rather than on first-come-first-serve basis. All lots were fully serviced. The city expected about 400 applications for the lots but 1,041 applications were received. Multiple-housing sites were sold to builders with the best proposals in terms of economic feasibility and amenities.

Over the 30-year period of Mill Woods' development and maturation, it is estimated that approximately one billion dollars will be saved by homeowners and/or renters through the elimination of speculative profit by the land-development process. Beyond this, some modest return is expected by the city from its land sales. Some of this return will be used to establish a land-bank program for the purchase of additional lands both at the edges of the city and in central city areas which require redevelopment. Revenues from land sales also must cover all interest charges on borrowing as well as capital borrowed for major trunk services.

Edmonton's past experience in land assembly, land banking, and development control should contribute much towards its present capabilities to achieve the objectives which it has established for the Mill Woods
project. However, Edmonton's long experience in land banking, land assembly, and land development clearly points out that:

- public acquisition of land far in advance of need for its urban development and on a continuous basis is an effective way to eliminate land speculation resulting in lower land costs for urban development.

- public acquisition and servicing of land coupled with public development controls and coordinated planning across municipal boundaries and at the provincial and local levels results in compact and orderly development in addition to its effects on lowering the land costs for urban development.
RED DEER

Experience in the development of the city of Red Deer through public acquisition, subdivision, and sale of land is similar to that of Edmonton. Red Deer is located halfway between Edmonton and Calgary (100 miles from either city). Like other Canadian towns in the Prairie Provinces, it grew rapidly, increasing from 4,000 population in the 1940s to 23,000 in the 1960s.

It was in the early 1950s when Red Deer public officials decided that the city should not continue to grow in a haphazard fashion. Its growth gave no indication of abating. Existing utilities and public facilities were overburdened; land speculation was uncontrolled. Under the direction of the newly formed Red Deer Regional Planning Commission, a 20-year plan was prepared calling for municipal acquisition of "land for residential and industrial expansion to ensure the orderly and economic development of such lands."

Once agreement was reached on the "land that could be most economically and suitably serviced with utilities," three quarter-sections of land were acquired quietly, and by negotiation only, in order to avoid land speculation. Sewers were installed; and individual lots, as well as commercial, school, and church sites, were sold to private individuals and developers on a very limited basis.

Since the beginning of this process, approximately 750 acres have passed through the municipal ownership servicing and land-sale
procedures. An additional 300 acres are now being prepared for development in the southwest quadrant, annexed to the city in 1958. This site includes land for a junior college. Only lands which will be needed for development within a period of 12 to 18 months are subdivided and serviced at any one time.

The city has been able to purchase land in rural areas adjacent to boundaries for prices between $750 and $1,200 per acre. Some of the land is leased for agricultural use during the period before development. In some cases, the city has options for purchase of privately-owned land that run as long as seven years.

The city of Red Deer maintains an inventory of serviced lots with prices lower than those planned for the Mill Woods city extension. It is the city's policy to keep an inventory of serviced lots and to provide choices to builders and individuals by locating them at opposite sides of the urban area. Ten per cent of the lots available at any given time are allocated on a first-come-first served basis to individuals. The remaining lots are sold to builders with the "best" development proposals. Builders cannot sell the land undeveloped and must start to build within 12 months. The city retains title to the land until the builder has met these requirements.

Residential land has been sold at prices averaging $1,500 per acre. Improved single-family lots have been sold at prices ranging between $50 and $75 per front foot. The sale price for such lots includes a share of all services in the subdivision, including water, sanitary and
storm sewers, underground electricity services, and land and services for schools and playgrounds. The city, thus, has the market advantage of control over the extension of utilities.

Between 1958 and 1972, the city has spent $1,300,000 on land acquisition and $3,700,000 on improvements. Its land sales during this period was more than $9,000,000 and funds from utilities prepayment total more than $3,700,000. These returns from land sales are reinvested on a continuous basis to acquire more land in advance of the city's need.

Relatively little of the expansion of the city of Red Deer in the past 16 years has been carried out outside the development process described above. New residential areas are of high quality in terms of design and adequacy of public services. Land costs to housing developers have been lower than in comparable privately developed areas, reducing the overall cost of housing. There has been also substantial saving in the cost of public services. Relatively little of the present water and sewerage trunk line and treatment plant capacity remains unused.

Among the benefits of Red Deer's land acquisition and development program, former planning director Dennis Cole lists the following:

1. Expansion does not involve city borrowing since the cost of servicing is recovered each year and is reinvested in more lands and services.

2. The program meets the approval of builders, who don't have to tie up capital in land or services and are assured of adequately serviced lots at no greater price than is paid by their competitors.
3. City ownership of land provides more generous open space, parks, and school sites as well as improved design layout.

4. Since the city has large land holdings, it can design 150 to 200 acres of land at one time, thereby introducing innovations which could not be achieved by regulations or bylaws.

5. Land speculation in residential development has been all but eliminated.

6. Development has been focused on filling the vacant fringe areas of the city, thereby providing a clear demarcation between urban and rural areas.

7. Land is not taken out of agricultural use until needed for development.
SASKATOON

The city of Saskatoon is a major regional center in a rural area where agricultural mechanisation and the growth of industry have brought about an accelerated population flow from farm to city. It has experienced rapid urban growth since the 1940s. It tripled in size from a population of 46,000 in 1945 to 130,000 in 1972. To combat the diseconomies of scattered fringe area development, the city has exercised successfully over the past three decades a municipal role in land acquisition and development control. The city acquired tax-delinquent land during the 1930s and initiated a formal land-bank policy which has maintained a continuous supply of land for urban development. The land banking policy was prompted by postwar pressures on land development and the need to combat speculative elements in the land market as well as to insure future orderly growth. As the city developed its "tax lands," it acquired new land to replenish its land bank. Funds from the sale of tax-title properties financed new purchases.

A city council real estate committee was established to carry out these land policies. In 1954 the committee was given additional assistance by the formation of a Municipal Planning Department. In 1955 and 1956, the city annexed 6,367 acres of adjacent land that subsequently was purchased from the rival municipality in which it was located. Agreements with one of the municipalities called for limitation of further development, the effect of which was to confine urban growth within the city's new boundaries. In 1967, under the federal-provincial land-assembly program (Section 40 of the National Housing Act), the city
purchased for its land bank approximately 1,100 additional acres of land. Under the arrangement, the city and province contributed 25 per cent respectively) and the federal government, 75 per cent. To date, the city of Saskatoon has purchased 5,350 acres, 4,500 of which are for residential subdivision and 850 for industrial development. Although its land sales have been large, totaling $9,460,900 (see Table XI), the city has enough land in its inventory to meet residential, commercial, and industrial needs. Currently, the city provides about 75 per cent of the residential sites.16

The effect of Saskatoon's large land holdings has been to lower land prices. This seems also to have contributed to an acceleration in housing construction. Between 1945 and 1970 over 26,000 units were built, with a peak number of 2,383 in 1968. The program has lowered housing costs also; they are among the lowest in Canada. Between 1972 and 1973 house prices in Saskatoon rose 15% whereas the increases in Vancouver and Toronto were 32% and 29% respectively. (See Table I). Unserviced lot prices ranged between $16 and $30, with an average price of $18 per front foot. Serviced lots were available for less than $3,500.

Saskatoon also provided a substantial amount of federally subsidized housing. In 1970 the city reduced its land prices to $10 per front foot for qualifying families in a new federal low-income-housing program. The city has been especially successful in producing low-cost housing under the federal "Assisted Home Ownership Program" for families with incomes under $7,000. It is among the few Canadian cities that have
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Total: $9,460,919.06

SOURCE: Saskatoon, Saskatchewan, Planning Department, "Land Policy in Saskatoon", Saskatoon: 1972
made extensive use of this program. The availability of low cost housing units may be attributed in part to lower residential land costs and in part to reduction of some of the lots from 5,000 square feet to 4,000 square feet, the minimum size permitted under federal mortgage programs. With the reduction in land costs and house size, a builder could build a house that sold in 1971 in the $11,000 to $13,000 price range with lot included.

An important effect of Saskatoon's large land bank is that the city is in a dominant position in regard to land development activities. Eighty per cent of the residential development and 95 per cent of the industrial development have taken place on city-owned land. Private land development has been undertaken in only five major projects, and in all of them the city has required that services meet city standards.

Saskatoon's strong position in land development activities strengthens its ability to implement the long-range comprehensive planning policies of its master plan, which is administered as official law. The city provides facilities for each neighborhood. Some facilities are shared among neighborhoods. Integration of development planning provides opportunity for neighborhoods to complement each other in terms of amenities and facilities. "Leap-frog" development is avoided because large blocks of land are not held out of development for speculative purposes. Although replatting schemes can be used to implement municipal development control, they are not often necessary. When they are, the land bank frequently controls enough city-owned land to make up the necessary two-thirds of the land area and two-thirds of the land
assessment in the scheme that would otherwise also require the consent of the private owners. When consent is necessary, however, it is usually obtained without difficulty. The city has seldom had to pay compensation to non-consenting land owners.

Finally, because of its large land holdings, the city has been able to set aside ample land for recreational needs, open spaces as necessary and required, and for several public housing projects.

Saskatoon's ability to finance municipal services on a logical programmed basis is considered to be crucial to its success in exercising control over the planning of its urban growth. The city provides all improvements except that in some cases it does not provide paving and storm sewerage drainage. If a subdivision is partially or wholly in private hands, the city charges the cost to the developer.

In disposing of lots, the Planning and Development Committee (which has superseded the Real Estate Committee) recommends to the city council the parcels that can be made available for sale and the sale price. City council conforms or amends these recommendations. As in Red Deer, Alberta, a choice is given to builders by providing land at opposite sides of the city. Builders are allotted a cross-section of land parcels so that no one gets all of the highly desirable lots while another builder is given less desirable lots. Land is sold to builders under lease option agreements which require that they build within one year. Since the city retains title until the completion of construction, the land cannot be resold during this time. This device has discouraged
spiraling land prices by preventing quick resale of development land. Builders who use city-owned land have not made excessive profits, since there is considerable competition among them.

In spite of Saskatoon's success in land banking and development, it is challenged by critics in the private sector, who claim that the city plays a monopolistic role in land activities. Although there is general agreement that there should be public involvement, controversy arises over the scale of operation, sale of developed land, use of profits, price for which land is sold, and some details of the preparation and servicing of lands. 17

Though some minor controversy may exist over the city of Saskatoon's involvement in the land market and land development, the record cannot be ignored. Saskatoon has succeeded in driving down land costs and producing a substantial number of low-cost housing units. It has been successful in preventing land speculation which has driven the cost of land in other cities sky-rocketing. It has also guided its rapid growth in an orderly economic fashion.
CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS
CONCLUSIONS AND RECOMMENDATIONS

It is evident from the study of our existing urban land development system in which the land is planned for urban usage, developed and marketed is highly favourable to the private interests of private landowners. It is also clear that in its present form it is weak enough and vulnerable to be misused by private interests to private advantages at the cost to the urban community as a whole.

Most of our urban land and the land needed for immediate future urban development is owned privately by individuals and companies. The planning of urban development and development regulatory controls are exercised by the public authorities. Public authorities also carry out major development projects such as highways construction, bridges, and the like, involving heavy public investment.

The general growth of the urban community, public planning decisions regarding land-use changes from less profitable to more profitable uses, and the public decisions to invest in urban expansion projects, such as, major highways, bridges, airports, seaports, and other community services and facilities generate increment in the value of urban land subject to growth and expansion. Such value increments in urban land are considerable and are created by the growth of the urban community. The benefits of these increments in value due to community action should rightly belong to the community. But in the present system these value increments remain the sole possession of private owners of urban land.
The lure of such profits from the increment in the value of land due to community action and growth to the private owners of land is the root cause of speculation in urban property and is widespread in our urban areas costing the urban community millions of dollars in terms of inflated land prices.

Speculation is the major factor in the rising cost of urban land and housing and the present system does not possess any effective means to check these speculative practices.

The system of private ownership of land and public planning and development controls further gives rise to the problem of conflict of interests at all levels of public development decision-making. Private interests tend to dominate public interest, thus, costing to the community at large. It works to increase speculation rather than control it. This results in inflated land prices for urban development. The problem to deal with really is the problem of equitable distribution of value increment in land.

Our urban areas have grown into large urban agglomerations composed of many municipalities and districts which tend to be political rivals in the same large urban area. This political structure in which the public development planning function is performed by individual municipalities within the narrow limits of their jurisdictional boundaries makes it highly difficult to plan effectively for the whole urban region and have any effective control on its development. Where regional governments are established, as in British Columbia, they do not, yet,
possess the necessary powers over the municipalities to be able to do detailed planning and have necessary control on the development and growth of the whole urban region. This fragmented planning authority has given rise to multiplicity of development planning regulations and standards, causing delays in development decisions concerning the entire region, time-consuming and lengthy development approval procedures, and resulting in additional costs of development and the cost of land and housing to the urban community.

To deal with the problem of high land prices we must deal with the problem of speculation, and to deal with the problem of speculation we have to tackle the problem of inequitable distribution of development value increments in urban land resulting from community growth and urban expansion. The present system of urban land development must be modified so that the value increments in land resulting from community action should be channelled back into the community.

To deal with the problem of fragmented public planning authority in the present public development planning structure, regional government must assume responsibility and be given powers to prepare detailed land-use and zoning plans for the urban regions and authority to implement such plans. They must have authority over the municipalities in decisions regarding development planning of the region as a whole.

Experiences in the province of Alberta and the province of Saskatchewan, specifically, Edmonton, Red Deer, and Saskatoon, show that a system whereby land is acquired by the public authority far in advance of the
need for its urban development combined with public development and planning controls is effective in controlling undue speculation and thereby reducing the prices of urban land and housing. The increment in land values resulting from its development are, thus, retained for the benefit of the community instead of being left to the speculators.

The system of public acquisition of land, its planning, servicing, and disposal for development has also worked well in producing compact, orderly, and economic urban development in Saskatoon, Edmonton, and Red Deer.

There exists a substantial evidence in literature related to urban development, land and housing development costs, and urban planning that supports the concept of public ownership of land on a scale compatible with private ownership so as to have control on its development in the proper interest of the urban community, thus, preventing speculation in land, keeping the prices of land and housing under control by controlling the supply of serviced land and housing, and preventing the urban sprawl.

Conclusively, it appears that to control the prices of land and housing development, and to direct the urban development in a planned, orderly, economic, and aesthetically pleasing urban environment, large-scale public involvement in land ownership, its planning and servicing for urban development, and the marketing of serviced land and fully developed land are necessary. A substantial public control on urban and urbanizing land and its development is central to have control on
development or urban areas, to control the cost of land and its development, and to protect the public interest from being taken advantage of by private sector of the market for land and development.

In concluding this study, some general steps and measures are recommended below that seem necessary to be adopted to overcome the weaknesses and drawbacks in the existing urban land development system and that can remedy the problems arising out of this system and contributing to the high cost of urban land and its development. Recommendations are mostly general in keeping with the nature of the thesis.

1. As a matter of continuing policy, land required for urban development and growth should be acquired under public ownership either by regional governments or by provincial governments themselves or by provincial agencies, such as, the Alberta Housing Corporation or the newly established Land Commission in British Columbia for the purposes of forming land banks and land reserves. Federal loans for land assembly, available under Section 40 and Section 42 of the National Housing Act, should be extensively made use of for this purpose. Acquisition must be far in advance of the actual need for its development, preferably 20 to 25 years. This should include land at the urban fringes and beyond including idle as well as agricultural land.

2. Land from these land banks and land reserves should be released to municipal or regional governments who would service, and dispose of land for development to private builders through sale or lease to
meet the demand in the market. Sale or lease of serviced land for
development must be at or below the market prices.

3. Sale or lease of land for private development must carry conditions
such as that development must occur within a specified time from
the date of sale or lease. This would prevent speculative holding
by keeping the land undeveloped. Servicing of land and its market­
ing for development must be sufficient so as to prevent any shortage
of serviced land in the market. Government should retain the right
to buy back the land if it is to be sold without development by the
developer at a price at which it was sold to the developer.

4. Public agencies at municipal or regional level should acquire,
build, and manage rental properties on a scale so as to control the
rental accommodation market.

5. To eliminate speculative profiteering from quick sales of rental
and other properties in a market of housing shortage, government
should consider putting a time limit between sales of a property.
In cases where a quick sale becomes necessary the government should
have the right to purchase it. A time period of 5-years minimum
is recommended between the sales of a rental property and a minimum
of 3-years in case of other residential properties.

6. As a matter of public policy, publicly-serviced and developed land
and publicly-owned rental properties should be leased rather than
sold so as to retain public ownership in order keep the benefits of
increment in land values for the public purpose.
7. Regional governments should take over the responsibility for detailed land-use planning, zoning, and servicing of urban land. They should be given powers to do so at a regional level and regional plans and policies must be made mandatory for the municipalities to follow.

8. The assumption of responsibility for detailed land-use planning, zoning, and servicing by the regional governments should be accompanied by standardization of development regulations, requirement for services and other community facilities, municipal development approval procedures, and requirements for registration, etc. This would make the development process efficient and economical in the long run.

9. The present basis on which the properties are taxed should be revised. A property should be assessed on its potential value for development rather than on its actual land-use value. In other words its tax should be based on what could be developed on the property, given its designated zoning and demand for its development in the market, and not on what is already existing on the property as is the case with present assessment system. This would encourage maximum use of urban land rather than used as speculative investment.

Most of the above recommendations are neither new nor revolutionary and they have been suggested in many studies and successfully used to reduce the price of urban land and controlling its development in orderly and economic fashion. These measures have had success in cities such as Edmonton, Red Deer, and especially in the city of Saskatoon. In British
Columbia, a framework for implementing the measures suggested has already been established in the form of regional districts and the newly established Land Commission. What is needed is that the regional governments should take over the responsibility for detailed land-use planning and zoning and should be given more powers to implement their policies and plans. The operations of the Land Commission in assembly of land into land banks and land reserves should be expedited and its operations be encouraged by provincial and federal funding to achieve the desired goals.
FOOTNOTES

Chapter I

1 "Housing! Will the Bubble Really Burst?", Time (Canada), May 27, 1974, pp. 8-14.


Chapter II

1 Simon R. Miles, Metropolitan Problems, (Toronto: Methuen, 1970), p. XVI.


Chapter III

1 Greater Vancouver Regional District, Infill Policy Exploration, A study prepared for the G.V.R.D. by Thompson, Berwick, Pratt and Partners, Vancouver: December 1973, pp. 2-4, and pp. 11-16.


4 Ibid., p. 113, pp. 116-117.

5 Ibid., p. 14.


Chapter IV


2 Dennis and Fish, Low Income Housing, p. 20.

3 Ibid., pp. 20-21.


6 Ibid.


8 Ibid.


11. Ibid., §§32-43.


15. Ibid.


Dennis, Michael, and Fish, Susan A., *Low Income Housing: Programs in Search of a Policy; Summary and Recommendations*, Ottawa, Central Mortgage and Housing Corporation, 1972.


Lower Mainland Regional Planning Board of British Columbia, *Dynamics of Residential Settlement*, Supplementary Study 2 to "Land for Living", New Westminster, 1963. (An examination of the urban growth process and its relationship to land values.)


Ratcliff, R.U., and Hamilton, S.W., Suburban Land Development, Summary and Conclusions Based Upon a Research Project for the Union of B.C. Municipalities, April 1972.

Ravis, D., Advance Land Acquisition by Local Government: the Saskatoon Experience, Saskatoon Planning Department, June 1972.


Saskatoon, Saskatchewan, Planning Department, Land Policy in Saskatoon, Saskatoon, 1972.


The Vancouver Sun, February 14, 15, 1974.


APPENDIX A

RESIDENTIAL LAND VALUES IN THE METROPOLITAN VANCOUVER AREA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<tr>
<td><strong>VANCOUVER</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Point Grey, Dunbar</td>
<td>33 - 50</td>
<td>9,500 - 12,500</td>
<td>15,000 - 22,500</td>
<td>16,500 - 25,000</td>
<td>25,000 - 35,000</td>
</tr>
<tr>
<td>Oakridge</td>
<td>58</td>
<td>15,000 - 20,000</td>
<td>few or no sales</td>
<td>few or no sales</td>
<td>few or no sales</td>
</tr>
<tr>
<td>Kerrisdale</td>
<td>33 - 50</td>
<td>9,500 - 12,500</td>
<td>15,000 - 22,500</td>
<td>17,000 - 27,000</td>
<td>25,000 - 35,000</td>
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<tr>
<td>Shaughnessy</td>
<td>60 - 70</td>
<td>15,000 - 25,000</td>
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<td>few or no sales</td>
<td>few or no sales</td>
</tr>
<tr>
<td>S. Van. &amp; Cambie</td>
<td>33 - 50</td>
<td>8,500 - 15,000</td>
<td>13,500 - 21,000</td>
<td>15,000 - 22,000</td>
<td>22,500 - 35,000</td>
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<tr>
<td>Fraserview - Old</td>
<td>33 - 40</td>
<td>8,500 - 10,000</td>
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<td>few or no sales</td>
<td>few or no sales</td>
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<tr>
<td>Champlain Heights</td>
<td>45 - 50</td>
<td>7,800 - 12,000</td>
<td>few or no sales</td>
<td>few or no sales</td>
<td>few or no sales</td>
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<tr>
<td>Killarney, Joyce Rd</td>
<td>33 - 45</td>
<td>6,500 - 8,500</td>
<td>11,000 - 14,000</td>
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<td>20,000 - 27,500</td>
</tr>
<tr>
<td>Renfrew Heights</td>
<td>33 - 50</td>
<td>6,000 - 8,000</td>
<td>11,000 - 14,000</td>
<td>13,000 - 17,000</td>
<td>21,500 - 30,000</td>
</tr>
<tr>
<td>East Hastings</td>
<td>33</td>
<td>6,500 - 7,500</td>
<td>11,000 - 14,000</td>
<td>13,000 - 15,000</td>
<td>20,000 - 25,000</td>
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<tr>
<td>Grandview</td>
<td>33</td>
<td>6,000 - 7,500</td>
<td>11,000 - 14,000</td>
<td>13,000 - 15,000</td>
<td>20,000 - 25,000</td>
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<td><strong>NEW WESTMINSTER</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>City Limits</td>
<td>33 - 50</td>
<td>few or no sales</td>
<td>few or no sales</td>
<td>few or no sales</td>
<td>few or no sales</td>
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<tr>
<td><strong>BURNABY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>North</td>
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<td>10,000 - 15,000</td>
<td>12,500 - 16,500</td>
<td>20,000 - 24,000</td>
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<tr>
<td>South</td>
<td>33 - 66</td>
<td>5,500 - 9,500</td>
<td>10,000 - 15,000</td>
<td>13,000 - 17,500</td>
<td>18,000 - 27,500</td>
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<tr>
<td>East</td>
<td>33 - 66</td>
<td>5,000 - 6,500</td>
<td>9,500 - 13,500</td>
<td>11,000 - 16,000</td>
<td>18,000 - 22,000</td>
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<tr>
<td>Centre</td>
<td>50 - 60</td>
<td>5,000 - 8,000</td>
<td>10,000 - 16,000</td>
<td>12,500 - 17,500</td>
<td>25,000 - 35,000</td>
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<td><strong>NORTH VANCOUVER D.M.</strong></td>
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<tr>
<td>Deep Cove</td>
<td>60</td>
<td>4,000 - 4,500</td>
<td>9,000 - 12,000</td>
<td>12,000 - 14,000</td>
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<tr>
<td>Lynn Valley</td>
<td>33 - 60</td>
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<td>Blueridge</td>
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<tr>
<td>Delbrook</td>
<td>66</td>
<td>8,000 - 8,500</td>
<td>10,000 - 14,000</td>
<td>12,500 - 18,000</td>
<td>23,000 - 30,000</td>
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<tr>
<td>Canyon Heights</td>
<td>66</td>
<td>8,000 - 8,500</td>
<td>10,000 - 16,000</td>
<td>12,500 - 17,500</td>
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<tr>
<td><strong>NORTH VANCOUVER CITY</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Older Areas</td>
<td>50</td>
<td>4,000 - 5,000</td>
<td>7,500 - 9,500</td>
<td>10,000 - 15,000</td>
<td>17,500 - 22,000</td>
</tr>
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<td>Upper Lonsdale</td>
<td>60</td>
<td>6,000 - 8,000</td>
<td>8,500 - 12,000</td>
<td>12,000 - 17,500</td>
<td>20,000 - 25,000</td>
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### Prices Of Typical Lots

<table>
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<tr>
<th>Location</th>
<th>Typical Frontage</th>
<th>1967</th>
<th>1971</th>
<th>1972</th>
<th>1973</th>
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<td><strong>WEST VANCOUVER</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>British Properties</td>
<td>1/2 ac. av.</td>
<td>11,000 - 15,000</td>
<td>15,000 - 25,000</td>
<td>15,000 - 30,000</td>
<td>20,000 - 36,000</td>
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<tr>
<td>Cypress Park</td>
<td>80' - 100</td>
<td>8,000 - 10,000</td>
<td>14,000 - 20,000</td>
<td>15,000 - 25,000</td>
<td>20,000 - 36,000</td>
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<tr>
<td>Bayridge odd shapes</td>
<td>8,700 - 9,500</td>
<td>13,000 - 18,000</td>
<td>14,500 - 25,000</td>
<td>20,000 - 38,000</td>
<td></td>
</tr>
<tr>
<td>Older Areas</td>
<td>50</td>
<td>7,500</td>
<td>12,000 - 16,000</td>
<td>14,000 - 18,000</td>
<td>20,000 - 27,500</td>
</tr>
<tr>
<td><strong>COQUITLAM</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Average sites</td>
<td>60 - 66</td>
<td>4,000 - 5,000</td>
<td>8,000 - 10,000</td>
<td>9,500 - 12,000</td>
<td>16,000 - 18,000</td>
</tr>
<tr>
<td>Better Sites</td>
<td>60 - 75</td>
<td>5,500 - 7,000</td>
<td>10,500 - 14,500</td>
<td>11,000 - 16,000</td>
<td>20,000 - 25,000</td>
</tr>
<tr>
<td><strong>RICHMOND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Home Areas (fully serviced)</td>
<td>66</td>
<td>5,500 - 6,500</td>
<td>10,000 - 11,000</td>
<td>12,500 - 13,500</td>
<td>17,500 - 18,500</td>
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<tr>
<td>Individual Lots</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>sewered</td>
<td>66</td>
<td>5,000 - 6,000</td>
<td>8,500 - 10,000</td>
<td>11,000 - 12,000</td>
<td>17,000 - 18,000</td>
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<tr>
<td>unsewered</td>
<td>66</td>
<td>3,000 - 4,500</td>
<td>7,500 - 9,000</td>
<td>10,000 - 11,000</td>
<td>16,000 - 17,000</td>
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<tr>
<td><strong>SURREY</strong></td>
<td></td>
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<td></td>
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<tr>
<td>North - sewered</td>
<td>60 - 66</td>
<td>3,000 - 4,600</td>
<td>7,000 - 8,000</td>
<td>9,500 - 11,500</td>
<td>14,500 - 16,000</td>
</tr>
<tr>
<td>- unsewered</td>
<td>60 - 66</td>
<td>2,200 - 3,500</td>
<td>5,500 - 6,500</td>
<td>8,000 - 10,000</td>
<td>12,000 - 14,000</td>
</tr>
<tr>
<td>Newton- Central Surrey</td>
<td>60 - 66</td>
<td>1,200 - 2,000</td>
<td>4,000 - 5,500</td>
<td>8,500 - 9,500</td>
<td>13,000 - 15,000</td>
</tr>
<tr>
<td>(1973)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ocean Park - South</td>
<td>60 - 66</td>
<td>2,000 - 3,500</td>
<td>6,000 - 11,000</td>
<td>8,000 - 15,000</td>
<td>16,000 - 30,000</td>
</tr>
<tr>
<td>Surrey unsewered up to one acre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>66 - 75</td>
<td>3,000 - 4,500</td>
<td>7,500 - 8,500</td>
<td>9,000 - 10,500</td>
<td>14,500 - 16,000</td>
</tr>
<tr>
<td><strong>DELTA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North - sewered</td>
<td>66 - 75</td>
<td>3,000 - 4,500</td>
<td>7,500 - 8,500</td>
<td>9,000 - 10,500</td>
<td>14,500 - 16,000</td>
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<tr>
<td>Ladner - sewered</td>
<td>66 - 75</td>
<td>3,300 - 5,000</td>
<td>5,500 - 7,500</td>
<td>8,000 - 9,500</td>
<td>13,500 - 15,000</td>
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<tr>
<td>Tsawwassen-sewered (1970)</td>
<td>66 - 75</td>
<td>3,500 - 10,000</td>
<td>6,500 - 13,500</td>
<td>10,000 - 16,000</td>
<td>18,000 - 20,000</td>
</tr>
</tbody>
</table>

Source: Real Estate Trends - Greater Vancouver Real Estate Board.
APPENDIX B

PART XXI, COMMUNITY PLANNING MUNICIPAL ACT R.S.B.C. 1960, CHAPTER 255
PART XXI
COMMUNITY PLANNING

By-laws not to apply to certain land.

694. No by-law adopted pursuant to this Part, excepting Division (5), applies to land designated in a tree-farm licence, or to land constituting a forest reserve pursuant to the Forest Act, or to land designated in a tree-farm certificate under the Taxation Act so long as the land continues to be so designated or reserved. 1971, c. 38, s. 50.

Division (1)—Official Community Plan

Interpretation.

695. In this Part or in any by-law adopted under this Part, "community plan" means an expression of policy for

(a) any use or uses of land, including surfaces of water; or

(b) the pattern of the subdivision of land;

and either or both may apply to any or all areas of the municipality.

1957, c. 42, s. 692; 1958, c. 32, s. 304; 1961, c. 43, s. 36.

Preparation of plans.

696. The Council may have community plans prepared or revised from time to time, and they may be expressed in maps, plans, reports, or any combination thereof. 1957, c. 42, s. 693; 1961, c. 43, s. 37; 1968, c. 33, s. 164.

Designation.

697. (1) The Council may, by by-law adopted by an affirmative vote of at least two-thirds of all the members thereof, designate any community plan prepared under section 696 as the official community plan or as a part of the official community plan.

(2) A by-law adopted under subsection (1) does not come into force and effect until it has received the approval of the Lieutenant-Governor in Council. 1957, c. 42, s. 694; 1958, c. 32, s. 305; 1961, c. 43, s. 38.

Plan paramount.

698. (1) The Council shall not enact any provision or undertake any works contrary to or at variance with the official community plan or a plan adopted under Division (6) of this Part.

(2) Subsection (1) does not empower the Council to impair, abrogate, or otherwise affect the rights and privileges to which an owner of
land is otherwise lawfully entitled. 1957, c. 42, s. 695; 1961, c. 43, s. 39.

Plan not a committal.

699. (1) An official community plan does not commit the Council or any other administrative body to undertake any of the projects therein suggested or outlined.

(2) The adoption of a community plan does not authorize the Council to proceed with the undertaking of any project except in accordance with the procedure and restrictions laid down therefore by this or some other Act. 1957, c. 42, s. 696; 1961, c. 43, s. 40.

Minister may assist Council.

700. The Minister may, upon request by a Council, furnish advice or assistance in community planning matters. 1957, c. 42, s. 697.

Division (2).—Advisory Planning Commission

Establishment of Commission.

701. (1) The Council may, by by-law adopted by an affirmative vote of at least two-thirds of all the members thereof, establish an Advisory Planning Commission, whose members shall serve without remuneration and who shall advise the Council on such matters coming within the scope of this Part as may from time to time be referred to the Commission by the Council.

(2) In the by-law establishing the Commission there shall be set out

(a) the composition of the Commission and the manner in which the Council shall appoint the members thereof;

(b) the procedures governing the conduct of the Commission.

(3) The Council shall include in its annual budget such sums as are necessary to defray the expenses of the Commission. 1957, c. 42, s. 698.

Division (3).—Zoning

Zoning.

702. (1) The Council may by by-law (hereinafter referred to as a "zoning by-law")

(a) divide the whole or a portion of the area of the municipality into zones and define each zone either by map, plan, or description, or any combination thereof;

(b) regulate the use of land, buildings, and structures, including the surface of water, within such zones, and the regulations may be different for different zones and for different uses within a zone, and for the purposes of this clause the power to regulate includes the power to prohibit any particular use or uses in any specified zone or zones;

(c) regulate the size, shape, and siting of buildings and structures within such zones, and the regulations may be different for different zones and with respect to different uses within a zone;

(d) without limiting the generality of clause (b), require the owners or occupiers of any building in any zone to provide off-street parking and loading space for such building, and may
classify buildings and differentiate and discriminate between classes with respect to the amount of space to be provided, and may exempt any class of building or any building existing at the time of adoption of the by-law from any of the requirements of this clause.

(2) In making regulations under this section, the Council shall have due regard to the following considerations:

(a) The promotion of health, safety, convenience, and welfare of the public:

(b) The prevention of the overcrowding of land, and the preservation of the amenities peculiar to any zone:

(c) The securing of adequate light, air, and access:

(d) The value of the land and the nature of its present and prospective use and occupancy:

(e) The character of each zone, the character of the buildings already erected, and the peculiar suitability of the zone for particular uses:

(f) The conservation of property values:

(g) [Repealed. 1971, c. 38, s. 51.] 1957, c. 42, s. 699; 1958, c. 32, s. 306; 1961, c. 43, s. 41; 1968, c. 33, s. 165; 1970, c. 29, s. 20; 1971, c. 38, s. 51.

(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 impact of development on present and future public costs:

(c) The betterment of the environment:

(d) The fulfilment of community goals:

(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 a majority 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 situated who does not enter into a land use contract with the Council.

(9) 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.

703. (1) The Council shall not adopt a zoning by-law until it has held a public hearing thereon, notice of which stating the time and place of the hearing has been published in not less than two consecutive issues of a newspaper published or circulating in the municipality, with the last of such publications appearing not less than three days nor more than ten days before the date of the hearing.

(2) The notice of hearing shall
(a) identify the land or lands deemed affected;
(b) state in general terms the intent of the provisions of the proposed by-law; and
(c) state where and the days and hours during which a copy of the proposed by-law may be inspected.

(3) At the hearing all persons who deem their interest in property affected by the proposed by-law shall be afforded an opportunity to be heard on matters contained in the by-law.

(4) The hearing may be adjourned from time to time.

(5) The Council may without further notice, in the zoning by-law as adopted, give such effect as it deems fit to representations made at the hearing, except that any change subsequent to the hearing shall not alter the substance thereof. 1957, c. 42, s. 700; 1958, c. 32, s. 307; 1961, c. 43, s. 42; 1968, c. 33, s. 167.

704. (1) No zoning by-law shall be adopted, amended, or repealed except after a hearing under section 703, and except upon the affirmative vote of a majority of all the members of the Council.

(2) A member of the Council who was not present at the public hearing may vote on the adoption, amendment, or repeal of a zoning by-law, provided that an oral or written report of the public hearing has been given to him. 1957, c. 57, s. 701; 1961, c. 43, s. 43; 1972, c. 36, s. 30.

705. (1) A building or structure lawfully under construction at the time of the coming into force of a zoning by-law shall, for the purpose of that by-law, be deemed to be a building or structure existing at that time.
(2) A lawful use of premises existing at the time of the adoption of a zoning by-law, although such use does not conform to the provisions of the by-law, may be continued; but if such non-conforming use is discontinued for a period of thirty days, any future use of those premises shall, subject to the provisions of this section, be in conformity with the provisions of the zoning by-law.

(3) A lawful use of a building or structure existing at the time of the adoption of the zoning by-law, although such use does not conform to the provisions of the zoning by-law, may be extended throughout the building or structure, but no structural alterations except those required by Statute or by by-law or those allowed by the Board of Variance shall be made therein or thereto.

(4) Where any building or structure the use of which does not conform to the provisions of an applicable zoning by-law is damaged or destroyed to the extent of seventy-five per centum or more of its value above its foundations, as determined by the building inspector, whose decision shall be subject to review by the Board of Variance, it shall not be repaired or reconstructed, except for a conforming use in accordance with the zoning by-law.

(5) A change of tenants or occupants of any premises or building or structure shall not be deemed to affect the use of the premises or building or structure within the meaning of this section. 1957, c. 42, s. 702; 1958, c. 32, s. 308; 1968, c. 33, s. 168.

706. (1) Property shall be deemed not to be taken or injuriously affected by reason of the adoption of a zoning by-law under this Division, or by reason of the amendment or repeal of a zoning by-law.

(2) Subsection (1) does not apply when land is zoned exclusively for public use. 1957, c. 42, s. 703; 1958, c. 32, s. 309; 1962, c. 41, s. 29; 1965, c. 28, s. 20.

707. (1) Prior to the adoption of a zoning by-law, or of an official community plan, or of an amendment to a zoning by-law, or of an alteration, addition, or extension to the official community plan, the Council may cause to be withheld the issuance of a building permit for a period of thirty days from the date of the application.

(2) Where any permit is so withheld, the application therefor shall be considered by the Council within the said period of thirty days; and if in the opinion of the Council the development proposed in the application would be at variance or in conflict with an official community plan in the course of preparation, or with an alteration, addition, or extension in course of preparation to an official community plan, or with the zoning by-law in course of preparation, or with an amendment in course of preparation to the zoning by-law, the Council may withhold the permit for a further sixty days, or the Council may impose such conditions on the granting of the building permit as may appear to the Council to be in the public interest.
(3) In the event that the Council does not within the said period of sixty days adopt any such plan or by-law, the owners of the land in respect of which a building permit was withheld pursuant to this section are entitled to compensation for damages arising from the withholding of such building permit, and the provisions of Division (4) of Part XII shall apply.

(4) Where the provisions of this section have been invoked, the Council may withhold the issuance of a business licence for a period not exceeding ninety days. 1957, c. 42, s. 704; 1968, c. 33, s. 169.

707A. Where, subsequent to the acquisition of land by a person, a zoning by-law is adopted or amended so that no use of the land is permitted, that person may, if not granted relief by the Board of Variance, appeal to the Minister who may, by order binding on the municipality, grant such relief as he considers proper. 1972, c. 36, s. 31.

Board of Variance

708. (1) Where a Council has adopted a zoning by-law, there shall be established by by-law a Board of Variance constituted as follows:—

(a) Where the population of a municipality is twenty-five thousand or less,
   (i) one person appointed by the Council;
   (ii) one person appointed by the Lieutenant-Governor in Council; and
   (iii) one person appointed by the other two appointees:

(b) Where the population of a municipality is more than twenty-five thousand,
   (i) two persons appointed by the Council;
   (ii) two persons appointed by the Lieutenant-Governor in Council; and
   (iii) one person appointed by the other four appointees;

and the members of the Board shall elect one of their number as Chairman.

(2) Each member appointed shall hold office for a term of three years or until his successor is appointed, but a person may be reappointed for a further term or terms.

(3) No person who is a member of the Advisory Planning Commission of the municipality or holds municipal office or municipal employment in the municipality is eligible to be appointed or to sit as a member of the Board of Variance for the municipality.

(4) A majority of the Board is a quorum.

(5) The Chairman may from time to time appoint a member of the Board as Acting-Chairman to preside in the absence of the Chairman.

(6) In the event of the death, resignation, or removal from office of any member of the Board, his successor shall be appointed in the manner
in which such member was appointed, and until the appointment of his successor the remaining members constitute the Board.

(7) The appointee of a Council may be removed at any time by the Council concerned, and the appointee of the Lieutenant-Governor in Council may likewise be removed at any time by the Lieutenant-Governor in Council; the Chairman may be removed at any time by the Lieutenant-Governor in Council on the recommendation of the Council.

(8) In the event of the death, resignation, or removal from office of a member of the Board, other than the Chairman, the Chairman shall continue to act in that capacity, and the provisions of subsection (1) relating to the appointment of Chairman shall not apply.

(9) In any by-law adopted under the provisions of subsection (1) there shall be set out the procedures to be followed by the Board of Variance, including the manner in which appeals are to be lodged with the Board and the giving of notices required under section 709. 1957, c. 42, s. 705; 1958, c. 32, s. 310; 1968, c. 33, s. 170.

709. (1) The Board of Variance shall hear and determine any appeal

(a) by a person who is aggrieved by a decision of any official charged with the enforcement of a zoning by-law or a by-law under subsection (5) of section 711 in so far as that decision relates to an interpretation of the by-law or by-laws or any portion thereof; and

(b) with respect to matters mentioned in subsection (4) of section 705; and

(c) by an applicant for a permit who alleges that enforcement of a zoning by-law with respect to siting, size, or shape of a building or of a structure would cause him undue hardship, in which case the Board may, to the extent necessary to give effect to its determination, exempt the applicant and subsequent owners of the building or structure from the applicable provisions of the zoning by-law; and

(d) with respect to matters mentioned in subsection (3) of section 705 and subsection (7) of section 711.

(2) Notification of the appeal shall be given by the Board to the owners and occupiers of all real property located adjacent to the property with respect to which the appeal is being heard, and public notice of the hearing shall be given if the matter is deemed by the Board to be of sufficient importance.

(3) The decision in writing of all or of a majority of the members of the Board is the decision of the Board.

(4) An appeal lies to a Judge of the County Court from a decision of the Board under clauses (a) and (b) of subsection (1), but all other decisions of the Board are final and binding. 1957, c. 42, s. 706; 1958, c. 32, s. 311; 1960, c. 37, s. 30; 1961, c. 43, s. 44; 1962, c. 41, s. 30; 1968, c. 33, s. 171.
710. (1) No member of a Board of Variance shall receive compensation for his services other than allowances for actual expenses necessarily incurred in the discharge of his official duties.

(2) The Council shall include in its annual budget such sums as are necessary to defray the expenses of the Board. 1957, c. 42, s. 707; 1968, c. 33, s. 172.

Division (4).—Subdivision of Land

711. (1) The Council may regulate the subdivision of land, and for that purpose may by by-law:

(a) regulate the area, shape, and dimensions of parcels of land and the dimensions, locations, alignment, and gradient of highways in connection with the subdivision of land, and may make different regulations for different uses and for different zones of the municipality;

(b) prescribe minimum standards with respect to the matters contained in clauses (a) and (d);

(c) require that a proposed subdivision
   (i) be suited to the configuration of the land being subdivided; and
   (ii) be suited to the use to which it is intended; and
   (iii) shall not make impracticable the future subdivision of the land within the proposed subdivision or of any adjacent land;

(d) require that the highways within the subdivision be cleared, drained, and surfaced to a prescribed standard, but excluding the construction of sidewalks and boulevards;

(e) where the municipality has a sewage-disposal system, require that a sewage-collection system be provided in accordance with standards set out in the by-law, make provision for the connection of the system with the established sewage-disposal system of the municipality, and provide that the lands included in the subdivision shall be exempt from, but only from, the charges imposed in the municipality for works of a like nature for a period of time calculated to be sufficient to amortize the actual cost of the collection system computed at an interest rate not exceeding four per centum per annum; but if the municipality requires that any main of such collection system be of a diameter in excess of that required to service the subdivision, the municipality shall assume and pay the cost providing the excess capacity;

(f) require that the subdivision be provided with a community water supply system, or that it be connected to an existing system, or that each parcel in the subdivision have a proven source of potable ground water.
(2) Subject to section 713, the owner of land being subdivided shall provide, without compensation, land for highways in accordance with a by-law under subsection (1).

(3) Every approving officer shall give due regard to and take cognizance of any official community plan when dealing with applications for the approval of any plan of subdivision.

(4) 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.

(5) Notwithstanding clause (e) of subsection (1), in addition to any other powers exercisable or exercised under this Act, the Council may by by-law require that where the nearest boundary of any land proposed to be subdivided is two thousand feet or more in distance, or such greater distance specified in the by-law, from an established trunk water-main or a trunk sanitary sewer, or both, provision be made by the owner of the land for the installation of water-mains or sanitary sewers, or both, including trunk water-mains or trunk sanitary sewers, or both, from such established trunk water-main or trunk sanitary sewer, or both, in and to the proposed subdivision, according to minimum standards prescribed in the by-law.

(6) A by-law under subsection (5) may provide for the sharing of the cost, or any portion thereof, of any trunk water-main or trunk sanitary sewer, or both, between the municipality and the owner of the land proposed to be subdivided.

(7) Where land proposed to be subdivided is in an area of the municipality zoned for agricultural, rural, or industrial use, an appeal lies to the Board of Variance from the enforcement of any provisions of a by-law enacted under subsection (5), and the provisions of clause (c) of subsection (1) of section 709 shall, mutatis mutandis, apply.

(8) In this Division, "approving officer" means a person appointed as an approving officer under the Land Registry Act. 1957, c. 42, s. 708; 1958, c. 32, s. 312; 1960, c. 37, s. 31; 1961, c. 43, s. 45; 1962, c. 41, s. 31; 1964, c. 33, s. 67; 1969, c. 21, s. 25; 1970, c. 29, s. 22; 1972, c. 36, s. 32.

Examination.

711A. (1) Where a physical examination of lands is required, the approving officer may, at the cost of the owner of the land proposed to be subdivided, personally examine or have an examination or report made on the proposed subdivision, but the owner shall not be charged an amount greater than ten dollars for each parcel within the proposed subdivision.

(2) If the subdivision plan is not approved, the owner is not liable to be charged. 1962, c. 41, s. 32; 1970, c. 29, s. 23.

Parcel frontage on highway.

712. (1) Subject to subsection (2), the Council may by by-law prescribe the minimum frontage which any parcel of land in any proposed subdivision may have with respect to the highway upon which the parcel fronts, but, whether so prescribed or not, no parcel of land in any
proposed subdivision shall have less than one-tenth of its perimeter fronting on such highway.

Exemption.

(2) The Council may, by an affirmative vote of at least two-thirds of all the members thereof, exempt a person proposing to subdivide land from any prescribed minimum frontage or from the limitation provided under subsection (1).

(3) The Council may, by an affirmative vote of at least two-thirds of all the members thereof, delegate its powers under subsection (2) to the approving officer. 1957, c. 42, s. 709; 1959, c. 56, s. 53; 1972, c. 36, s. 33.

713. (1) Where land is being subdivided, the owner shall not be required on subdivision to provide without compensation

(a) for the purpose of a highway allowance within the subdivision, land exceeding in depth sixty-six feet; or

(b) for the purpose of widening a highway that is less than sixty-six feet in width and that borders or is within the subdivision, land of a depth exceeding thirty-three feet or the difference between sixty-six feet and the width of the highway, whichever is the lesser.

(2) Where, in the opinion of the approving officer, terrain and soil conditions are such that a roadway having a width of twenty-four feet cannot be adequately supported, protected, and drained within the widths specified in subsection (1), land sufficient to support, protect, and drain such a roadway may be required without compensation. 1957, c. 42, s. 710; 1972, c. 36, s. 34.

713A. (1) Notwithstanding the provisions of any by-law under this Act, or any regulation under the Local Services Act, the approving officer appointed under this Part may approve a subdivision of any parcel of land that has been owned by the person applying for the subdivision for a period of not less than five years prior to the application, for the purpose of providing a separate residence for the owner, or for the father, mother, father-in-law, mother-in-law, son, daughter, son-in-law, daughter-in-law, or grandchild of the owner; but each subdivided parcel of land shall be not less than two acres, unless a lesser area of not less than one-half acre is approved by the medical health officer.

(2) This section does not apply where the parcel being subdivided is classified as farm land for the purpose of real property assessment and taxation, and the remainder of the parcel, after subdivision, would be less than five acres.

(3) Except as permitted under zoning or rezoning by-laws, where land is subdivided under this section the subdivided parcel is restricted to residential use for a period of five years and the use of the remainder of the parcel shall not be changed for five years.
(4) Not more than one parcel shall be subdivided from any parcel under the provisions of this section in any five-year period. 1972, c. 36, s. 35.

Division (5).—Building Regulations

The Council may, for the health, safety, and protection of persons and property, and subject to the Health Act and the Fire Marshal Act and the regulations made thereunder, by by-law

(a) regulate the construction, alteration, repair, or demolition of buildings and structures;

(b) regulate the installation, alteration, or repair of plumbing (including septic tanks and sewer connections), heating, air-conditioning, electrical wiring and equipment, gas or oil piping and fittings, appliances, and accessories of every nature and kind;

(c) establish areas to be known as “fire limits,” and regulate the construction of buildings in each of such areas in respect of precautions against the danger of fire, and discriminate and differentiate between the areas as to the character of the buildings permitted in each of them;

(d) regulate the seating arrangements and seating capacity of churches, theatres, halls, skating-rinks, and other places of amusement or public resort;

(e) require contractors, owners, or other persons to obtain and hold a valid permit from the Council, or from the proper authorized official, before commencing and at all times during the construction, erection, excavation, installation, addition, repair, or alteration of gas or oil pipes and fittings, plumbing, heating, sewers, septic tanks, drains, electrical wiring, tents, signs, oil-burners, tanks, pumps, and all like works, fittings, and things, and buildings and structures of the kind, description, or value described in the by-law;

(f) prescribe conditions generally respecting the issuance and validity of permits and the inspection of works, things, buildings, and structures, and provide for the levying and collecting of permit fees and inspection charges;

(g) regulate or prohibit the moving of any building into or from the municipality, or the moving of any building from one property to another in the municipality;

(h) require the fencing of private swimming-pools or other types of pools, existing or prospective, according to specifications set out in the by-law;

(i) regulate the construction and layout of trailer courts, mobile-home parks, and camping-grounds, and require that such courts, parks, and grounds provide facilities specified in the by-law;

3256-1
Demolition. 715. (1) The Council may by by-law authorize
(a) the demolition, removal, or the bringing up to a standard specified in the by-law of a building, structure, or thing, in whole or in part, that is
   (i) in contravention of any by-law; or,
   (ii) in the opinion of Council, in an unsafe condition; or
(b) the filling-in, covering-over, or alteration in whole or in part of an excavation that is
   (i) in contravention of any by-law; or
   (ii) in the opinion of Council, in an unsafe condition.

(2) A by-law adopted under subsection (1) shall provide for thirty days' notice of the contemplated action to be given the owner, tenant, or occupier of the real property affected.

(3) An appeal lies to a Judge of the County Court having jurisdiction against the contemplated action under any by-law aforesaid.

(4) Notice of an appeal under subsection (3) shall be given the municipality within ten days from the date of the notice given under the by-law to the owner, tenant, or occupier of the affected premises.

(5) The Judge shall hear and finally determine the matter, making such order as seems meet to him.

(6) At the expiration of the thirty-day period mentioned in subsection (2), it shall be competent for the proper authorized official to proceed in accordance with the by-law or the decision of the Judge, as the case may be. 1957, c. 42, s. 712; 1958, c. 32, s. 315; 1961, c. 43, s. 46.

Regulating doors and emergency exits in public buildings. 716. (1) Subject to the Fire Marshal Act and regulations made thereunder, the Council may by by-law compel the provision of and regulate the location, number, style, and size of doors and emergency exits in churches, theatres, halls, skating-rinks, or other buildings used as places of public resort or amusement, and the posting therein of notices of such emergency exits.

(2) All by-laws passed under subsection (1) shall provide that all doors in churches, theatres, halls, skating-rinks, and other buildings used as places of public resort or amusement shall be so hinged that
they may open freely outwards, and that all gates, or outer fences, if not so hinged, shall be kept open by proper fastenings during the time such buildings are publicly used to facilitate the egress of people in case of alarm from fire or other cause. 1957, c. 42, s. 713; 1958, c. 32, s. 316.

717. Congregations possessing corporate powers, and all trustees holding churches or buildings used for churches, and incumbents and church wardens holding or using churches or buildings used for churches, are severally liable for the acts and omissions of any society or congregation in respect of the matters mentioned in section 716. 1957, c. 42, s. 714.

718. Every person owning or possessing any church, theatre, hall, school, or other building used for public meetings, or as a place of public resort or amusement, who violates the provisions of section 716 or of any by-law adopted thereunder is liable, on summary conviction, to a penalty not exceeding fifty dollars; and the person so convicted is liable, on summary conviction, to a further penalty of five dollars for every week thereafter during which the violation continues. Any penalty so imposed is a charge upon the lands and real property of such person, and may be levied, collected, and recovered in the manner provided for the levy, collection, and recovery of taxes upon lands or real property. 1957, c. 42, s. 715.

719. (1) The Council may, to the extent not inconsistent with this Act, either in place of or supplementary to any regulations made under this Division, by by-law adopt as regulations

(a) either in whole or in part the National Building Code or the short form thereof;

(b) subject to the Electrical Energy Inspection Act, either in whole or in part the Canadian Electrical Code;

(c) subject to the Gas Act, either in whole or in part the standards of the Canadian Gas Association;

(d) subject to the Fire Marshal Act, either in whole or in part the National Fire Code of Canada.

(2) Any code or standard, or short form thereof, or part thereof, referred to in subsection (1) may be adopted by reference to any particular date of issue or any specified issue of any such code or standard. 1957, c. 42, s. 716; 1961, c. 43, s. 47; 1964, c. 33, s. 69; 1966, c. 31, s. 20.
APPENDIX C

OBJECTS AND POWERS OF THE PROVINCIAL LAND COMMISSION OF BRITISH COLUMBIA
LAND COMMISSION ACT - OBJECTS AND POWERS OF THE PROVINCIAL
LAND COMMISSION

7. (1) It is the object of the commission to

(a) preserve agricultural land for farm use;

(b) encourage the establishment and maintenance of family farms, and land in an agricultural land reserve, for a use compatible with the preservation of family farms and farm use of the land.

(c) preserve green belt land in and around urban areas;

(d) encourage the establishment and maintenance of land in a green belt land reserve for a use compatible with the preservation of a green belt;

(e) preserve land bank land having desirable qualities for urban or industrial development and restrict subdivision or use of the land for other purposes;

(f) encourage the establishment and maintenance of land in a land bank land reserve for a use compatible with an ultimate use for industrial and urban development;

(g) preserve park land for recreational use;

(h) encourage the establishment and maintenance of land in a park land reserve for a use compatible with an ultimate use for recreation; and

(h1) advise and assist municipalities and regional districts in the preparation and production of the land reserve plans required for the purpose of this Act;

and, for these objects, it has the power and capacity, by itself, or in cooperation with the Government of Canada, or any of its agencies or corporations, or with any other department of Government, or with a municipality or regional district to

(i) purchase or otherwise acquire land, except by expropriation, on such terms and conditions as may be negotiated, and hold such land for the purposes of this Act;
((j) dispose of, by sale, lease, or otherwise, commission land and Crown land that is in an agricultural land reserve, a green belt land reserve, a land bank land reserve, or a park land reserve, subject to such terms and conditions as the commission may determine;

(k) accept gifts of land subject to such terms and conditions as the commission may determine;

(l) acquire and hold personal property and dispose of personal property by sale, lease or otherwise; and

(m) if authorised by any other Act, purchase or otherwise acquire, hold, administer, and dispose of land, including Crown land, for the purpose of that other Act.

(2) For the purpose of this section, the commission may

(a) purchase or acquire land, except by expropriation, including Crown land, the present condition or future potential of which merits preservation by reason of its aesthetic quality or its location in or around urban areas, as green belt land;

(b) purchase or acquire land, except by expropriation, including Crown land, having desirable qualities for urban or industrial development or redevelopment, as land bank land; and

(c) purchase or acquire land, except by expropriation, including Crown land, having desirable qualities for, or future potential for, recreational use as park land;

and upon being so purchased or acquired, the green belt land, land bank land, or park land is established as

(d) a green belt land reserve; or

(e) a land bank land reserve; or

(f) a park land reserve,

as the case may be, and shall be subject to this Act and the regulations.
APPENDIX D

1. GENERAL LAND DEVELOPMENT APPROVAL PROCESS
(Typical C.V.R.D. Municipality employing 'SECTION 702A of Land-use Contracts')

2. APPROVAL PROCEDURES FOR REZONING APPLICATIONS IN VARIOUS MUNICIPALITIES IN GREATER VANCOUVER
PROVINCIAL & REGIONAL INVOLVEMENT

DEVELOPMENT STAGE

INTRODUCTION TO POTENTIAL PROPERTY

PRELIMINARY INVESTIGATION OF DEVELOPMENT POSSIBILITIES

INITIATION OF LAND ACQUISITION

PREPARE CONCEPTUAL PLANS AND/OR PERSPECTIVE DRAWINGS

PLANNING DEPT.

- ZONING

1. FARMLAND
2. HIGHWAY ACCESS
3. FLOOD PLAIN
4. REGIONAL PLAN
   - SEWER
   - WATER
   - DRAINAGE

THE LAND DEVELOPMENT PROCESS

(Typical G.V.R.D. Municipality - employing 'SECTION 702 A of Land Use Contracts')
PRELIMINARY APPLICATION FOR SUBDIVISION OR REZONING

PLANNING DEPT.
MANAGER
LAND AGENT
ENGINEERING
BUILDING
PARK BOARD
SCHOOL BOARD
B.C. HYDRO

ADVISORY PLANNING COMMISSION

COUNCIL SETS TERMS & CONDITIONS FOR APPROVAL OR REJECTION

PLANNING DEPT. RESOLVES OBJECTIONS

COUNCIL AMENDS ZONING BY-LAW CREATES DEVELOPMENT AREA

COUNCIL MEETS IN PUBLIC WITH DEVELOPER

COUNCIL COMMITTEES

PLANNING PARKS & RECR. PUBLIC WORKS HEALTH AND WELFARE

DEVELOPER AND CONSULTANTS
## Approval Procedure for Rezoning Applications in Various Municipalities in Greater Vancouver

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Approval Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burnaby</td>
<td>Planning Dept. - Council - Public Hearing - Council</td>
</tr>
<tr>
<td>New Westminster</td>
<td>Planning Dept. - Consultative Committee of Architects - Public Hearing - Planning Commission - Council</td>
</tr>
<tr>
<td>North Vancouver/City</td>
<td>City Clerk - Engineering Dept., Land Agent, Advisory Planning Commission - Council - Public Hearing - Council</td>
</tr>
<tr>
<td>North Vancouver/District</td>
<td>City Clerk - Engineering Dept., Land Agent, Advisory Planning Commission - Design Panel - Council - Public Hearing - Council</td>
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<tr>
<td>Port Coquitlam</td>
<td>Planning Dept. - Planning &amp; Zoning Committee - Council - Public Hearing - Council</td>
</tr>
<tr>
<td>Port Moody</td>
<td>Planning Dept. - Planning Committee (Consultant Planner) - Council - Public Hearing - Council</td>
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<tr>
<td>Richmond</td>
<td>Planning Dept. - Engineering Dept. - Planning Committee - Design Panel - Council - Public Hearing - Council</td>
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<td>Location</td>
<td>Tasking Bodies</td>
</tr>
<tr>
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<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Surrey</td>
<td>Planning Dept. - Advisory Planning Commission - Council - Public Hearing - Council</td>
</tr>
<tr>
<td>Vancouver</td>
<td>Planning Dept. - Zoning Planner - Zoning &amp; Real Estate Board - Technical Planning Board - Board of Variance - Vancouver City Planning Commission - Council - Public Hearing - Council</td>
</tr>
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<td>West Vancouver</td>
<td>City Clerk - Council - Advisory Planning Commission - Council - Public Hearing - Council</td>
</tr>
<tr>
<td>White Rock</td>
<td>City Clerk - Planning Committee - Consultant Planner &amp; Advisory Design Panel - Council - Public Hearing - Council</td>
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Source: G.V.R.D. Infill Study, December 1973
APPENDIX E

1. REZONING APPLICATION COSTS AND REQUIREMENTS BY MUNICIPALITIES IN GREATER VANCOUVER

2. DEVELOPMENT COSTS AND REQUIREMENTS BY VARIOUS MUNICIPALITIES IN GREATER VANCOUVER

3. ADDITIONAL DEVELOPMENT COSTS AND REQUIREMENTS

4. IMPOST FEES IN THE G.V.R.D.
<table>
<thead>
<tr>
<th>Municipality</th>
<th>Cost of Application</th>
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<td>BURNABY</td>
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<td>Set Fee</td>
<td>4 Months</td>
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<td>NEW WESTMINSTER</td>
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<td>NORTH VANCOUVER (CITY)</td>
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<td>$75.00 Minimum $2.00 x No. of Dwelling Units</td>
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<tr>
<td>PORT COQUITLAM</td>
<td>$50.00</td>
<td>Set Fee (Covers Rezoning Application and Land Use Contract Fee)</td>
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continued on next page
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<th>Approximate Procedural Waiting Period</th>
<th>Number of Sets of Plans Required</th>
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<td>RICHMOND</td>
<td>No Charge</td>
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<td>3 Sets</td>
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<tr>
<td>SURREY</td>
<td>$50.00, $50.00 for First 50,000 s. f., $1.00/1,000 s. f. Over This</td>
<td>6 Months Minimum</td>
<td>2 Sets</td>
</tr>
<tr>
<td>VANCOUVER</td>
<td>$75.00 Set Fee</td>
<td>3 Months</td>
<td>3 Sets</td>
</tr>
<tr>
<td>WEST VANCOUVER</td>
<td>$50.00 Set Fee</td>
<td>3 Months</td>
<td>3 Sets</td>
</tr>
<tr>
<td>WHITE ROCK</td>
<td>No Charge</td>
<td>3 Months</td>
<td>3 Sets</td>
</tr>
<tr>
<td>DEVELOPMENT PERMIT</td>
<td>BUILDING PERMIT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type</td>
<td>Cost</td>
<td>Fee Rate</td>
<td>Fee for a Hypothetical $1,000,000.00 Residential Development</td>
</tr>
<tr>
<td>BURNABY</td>
<td>Not Required</td>
<td>$102.50 for First $50,000.00 + $1.00/$1,000.00 Over This</td>
<td>$1,052.50</td>
</tr>
<tr>
<td>COQUITLAM</td>
<td>Not Required</td>
<td>$49.00 for First $15,000.00 plus $1.50 per $1,000.00 Over This (to be raised)</td>
<td>$1,526.50</td>
</tr>
<tr>
<td>DELTA</td>
<td>Development Agreement</td>
<td>$55.00 for First $10,000.00 plus $2.00/$1,000.00 Over This</td>
<td>$2,035.00</td>
</tr>
<tr>
<td>NEW WESTMINSTER</td>
<td>Not Required</td>
<td>$98.00 for First $50,000.00 plus $1.25/$1,000.00 Over This</td>
<td>$1,285.50</td>
</tr>
<tr>
<td>NORTH VANCOUVER (CITY)</td>
<td>Land Use Contract + Legal Fees</td>
<td>$300.00/Acre + $235.50 for First $100,000.00 + $1.50/$1,000.00 Over This</td>
<td>$1,585.50</td>
</tr>
<tr>
<td>NORTH VANCOUVER (DISTRICT)</td>
<td>Going On Land Use Contract System</td>
<td>$235.00 for First $100,000.00 + $1.50/$1,000.00 Over This</td>
<td>$1,585.50</td>
</tr>
</tbody>
</table>

continued on next page
<table>
<thead>
<tr>
<th>Location</th>
<th>Type</th>
<th>Cost</th>
<th>Fee Rate</th>
<th>Fee for a Hypothetical $1,000,000.00 Residential Development</th>
<th>Average Processing Time for Building Permit</th>
</tr>
</thead>
<tbody>
<tr>
<td>PORT COQUITLAM</td>
<td>Going on Land Use Contract System</td>
<td>$36.00</td>
<td>$36.00 for First $15,000.00 plus $1.00/ $1,000.00 Over This</td>
<td>$1,021.00</td>
<td>1 Week</td>
</tr>
<tr>
<td>PORT MOODY</td>
<td>Going on Land Use Contract System</td>
<td>$100.00</td>
<td>$49.00 for First $15,000.00 plus $1.50/ $1,000.00 Over This</td>
<td>$1,526.50</td>
<td>1 Week</td>
</tr>
<tr>
<td>RICHMOND</td>
<td>Land Use Contract</td>
<td>No Charge</td>
<td>$55.00 for First $10,000.00 plus $2.00/ $1,000.00 Over This</td>
<td>$2,035.00</td>
<td>1 Week</td>
</tr>
<tr>
<td>SURREY.</td>
<td>Land Use Contract</td>
<td>Cost Included in &quot;Public Space Fee&quot;</td>
<td>$5.00 for First $1,000.00 plus $4.00/ $1,000.00 Over This (to be raised)</td>
<td>$4,001.00</td>
<td>2 Weeks</td>
</tr>
<tr>
<td>VANCOUVER</td>
<td>Development Permit Required</td>
<td>$5.00 1-Family Dwelling; $18.00 for 1st 12,000 sq.ft.; $1.50/2,000 sq.ft. Over This</td>
<td>$105.25 for First $50,000.00 plus $1.10/ $1,000.00 Over This</td>
<td>$1,150.25</td>
<td>3 Weeks</td>
</tr>
<tr>
<td>WEST VANCOUVER</td>
<td>Land Use Contract</td>
<td>$200.00</td>
<td>$235.00 for First $100,000.00 + $1.50/ $1,000.00 Over This</td>
<td>$1,585.50</td>
<td>1 Week</td>
</tr>
<tr>
<td>WHITE ROCK</td>
<td>Land Use Contract</td>
<td>$300.00</td>
<td>$60.00 for First $10,000.00 plus $2.00/ $1,000.00 Over This</td>
<td>$2,040.00</td>
<td>1 Week</td>
</tr>
</tbody>
</table>
## ADDITIONAL DEVELOPMENT COSTS AND REQUIREMENTS

<table>
<thead>
<tr>
<th>Location</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BURNABY</strong></td>
<td>Deposit equal to cost of servicing (held for one year)</td>
</tr>
<tr>
<td></td>
<td>Demage deposit $200.00 (refundable)</td>
</tr>
<tr>
<td></td>
<td>$160.00 water connection fee</td>
</tr>
<tr>
<td></td>
<td>$7.50 sewer connection fee</td>
</tr>
<tr>
<td></td>
<td>Inspection fee</td>
</tr>
<tr>
<td></td>
<td>4% of cost of servicing</td>
</tr>
<tr>
<td><strong>COQUITLAM</strong></td>
<td>Performance bond equal to total cost of servicing and landscaping (held for one year)</td>
</tr>
<tr>
<td></td>
<td>(Considering $300.00 damage deposit)</td>
</tr>
<tr>
<td></td>
<td>$140.00 water connection fee</td>
</tr>
<tr>
<td></td>
<td>$130.00 sewer connection fee (for other than local improvement areas)</td>
</tr>
<tr>
<td></td>
<td>Inspection fee</td>
</tr>
<tr>
<td></td>
<td>4% of cost of servicing</td>
</tr>
<tr>
<td><strong>DELTA</strong></td>
<td>Development bond equal to 5% of servicing costs (held for one year)</td>
</tr>
<tr>
<td></td>
<td>Security bond $250.00 (refundable)</td>
</tr>
<tr>
<td></td>
<td>Public Utilities Tax</td>
</tr>
<tr>
<td></td>
<td>Single family dwelling</td>
</tr>
<tr>
<td></td>
<td>$300.00/lot (varies)</td>
</tr>
<tr>
<td></td>
<td>Multiple dwelling</td>
</tr>
<tr>
<td></td>
<td>$100.00/unit</td>
</tr>
<tr>
<td></td>
<td>$100.00 water connection fee</td>
</tr>
<tr>
<td></td>
<td>$150.00 sewer connection fee</td>
</tr>
<tr>
<td></td>
<td>Inspection and legal fees equal to 4% of estimated site costs</td>
</tr>
<tr>
<td><strong>NEW WESTMINSTER</strong></td>
<td>Performance deposit equal to 1% of value of construction (minimum $400.00) (held until completion)</td>
</tr>
<tr>
<td></td>
<td>$140.00 water connection fee</td>
</tr>
<tr>
<td></td>
<td>sewer connection fee $15.00/ft. from main to property line (minimum $200.00) (for other than local improvement areas)</td>
</tr>
<tr>
<td>Location</td>
<td>Services and Fees</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| **NORTH VANCOUVER (CITY)** | No performance bond required  
Parks tax $50.00/dwelling unit  
$100.00 (approx.) water connection fee  
$179.00 sewer connection fee |
| **NORTH VANCOUVER (DISTRICT)** | No performance bond required  
Landscaping bond equal to 50% of landscaping costs  
Damage deposit $100.00/dwelling (refundable)  
No charge for water connection  
$220.00 sewer connection fee |
| **PORT COQUITLAM** | Performance bond equal to total cost of servicing (held until completion)  
Damage deposit $100.00/building (non-refundable)  
$130.00 water connection fee  
$140.00 sewer connection fee  
Inspection fee $50.00/dwelling unit |
| **PORT MOODY** | Performance bond equal to total cost of servicing (held until completion)  
Water and sewer connection fee  
$400.00/dwelling |
| **RICHMOND** | Development bond equal to 50% of cost of servicing and landscaping (held for one year)  
$85.00 water connection fee  
$150.00 sewer connection fee  
Inspection fee (varies) |
<table>
<thead>
<tr>
<th>Location</th>
<th>Landscaping &amp; servicing bond equal to cost of landscaping &amp; servicing (held until completion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surrey</td>
<td>Maintenance hold-back 5% of servicing costs held for one year after completion of construction</td>
</tr>
<tr>
<td></td>
<td>Public Space Contribution</td>
</tr>
<tr>
<td></td>
<td>$530.00/dwelling</td>
</tr>
<tr>
<td></td>
<td>$720.00/unit (multiple family)</td>
</tr>
<tr>
<td></td>
<td>$420.00/unit (mobile home)</td>
</tr>
<tr>
<td></td>
<td>$440.00/acre for acre parcels which require new connections to water &amp; sewage lines</td>
</tr>
<tr>
<td></td>
<td>$115.00 water connection fee</td>
</tr>
<tr>
<td></td>
<td>$150.00 sewer connection fee</td>
</tr>
<tr>
<td></td>
<td>$10.00 for Plumbing Inspection fee</td>
</tr>
<tr>
<td>Vancover</td>
<td>All servicing costs must be paid in advance</td>
</tr>
<tr>
<td></td>
<td>Damage deposit $50.00/dwelling (refundable)</td>
</tr>
<tr>
<td></td>
<td>$230.00 water connection fee</td>
</tr>
<tr>
<td></td>
<td>$508.00 sewer connection fee</td>
</tr>
<tr>
<td></td>
<td>$8.00 plumbing inspection fee</td>
</tr>
<tr>
<td>West Vancover</td>
<td>Performance bond equal to cost of servicing &amp; landscaping (held until completion)</td>
</tr>
<tr>
<td></td>
<td>Damage deposit $100.00/dwelling (refundable)</td>
</tr>
<tr>
<td></td>
<td>$140.00 water connection fee</td>
</tr>
<tr>
<td></td>
<td>$450.00 sewer connection fee</td>
</tr>
<tr>
<td>White Rock</td>
<td>Performance bond equal to the cost of servicing and utilities (held until completion)</td>
</tr>
<tr>
<td></td>
<td>Excavation bond $300.00 (refundable)</td>
</tr>
<tr>
<td></td>
<td>$100.00 water connection fee</td>
</tr>
<tr>
<td></td>
<td>$155.00 sewer connection fee</td>
</tr>
</tbody>
</table>
IMPOST FEES IN THE G.V.R.D. AS OF MARCH 18, 1974

INTRODUCTION

Surrey, Delta, White Rock and Port Coquitlam are the four G.V.R.D. municipalities currently charging impost fees. No other municipal administration is considering the imposition of such fees at this time. Surrey has the greatest experience with impost fees and the most complex formula. White Rock applies an impost fee to apartment and condominium units only. Delta applies an impost fee to all residential and industrial development. Delta has one uniform fee for all residential units and a different fee for industrial units. Port Coquitlam applies one standard per unit fee to all types of development.

<table>
<thead>
<tr>
<th></th>
<th>DELTA</th>
<th>SURREY</th>
<th>PORT COQUITLAM</th>
<th>WHITE ROCK</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESIDENTIAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Unit or Additional Lot Created</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SINGLE FAMILY</td>
<td>$760</td>
<td>$1,555</td>
<td>$300</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td>to $2,205</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DUPLEX</td>
<td>$760</td>
<td>$1,945</td>
<td>$300</td>
<td>None</td>
</tr>
<tr>
<td>APARTMENT</td>
<td>$760</td>
<td>$1,945</td>
<td>$300</td>
<td>$1,000</td>
</tr>
<tr>
<td>CONDOMINIUM</td>
<td>$760</td>
<td>$1,945</td>
<td>$300</td>
<td>$1,000</td>
</tr>
<tr>
<td>FARM HOUSE</td>
<td>$760</td>
<td>$2,205</td>
<td>$300</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td>but $1,440 on 2nd unit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 ACRE SINGLE FAMILY</td>
<td>$760</td>
<td>$1,415</td>
<td>$300</td>
<td>None</td>
</tr>
<tr>
<td>MOBILE HOME</td>
<td>$760</td>
<td>$1,460</td>
<td>$300</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td>to $2,110</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INDUSTRIAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$4,930 per acre</td>
<td>$2,150/20,000 per unit</td>
<td>$300</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>COMMERCIAL</strong></td>
<td>None</td>
<td>$3,850/20,000 sq. ft.</td>
<td>$300</td>
<td>None</td>
</tr>
</tbody>
</table>

continued on next page
<table>
<thead>
<tr>
<th></th>
<th>DELTA</th>
<th>SURREY</th>
<th>PORT COQUITLAM</th>
<th>WHITE ROCK</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSTITUTIONAL</td>
<td>None</td>
<td>$335 per bed</td>
<td>$300 per unit</td>
<td>None</td>
</tr>
</tbody>
</table>

**NOTES**

1. **Delta Residential Impost Fees**
   
   Of this $760, $420 is dedicated to parks and recreation and $330 to public works such as drainage.

2. **Delta Industrial Impost Fees**
   
   Of this $4,930, $840 is dedicated to the provision of public open space and $4,090 to off site services.
APPENDIX F

HOW TO GET REALLY RICH IN REAL ESTATE --
BUYING, RENT RAISING, REMORTGAGING,
SELLING BRINGS PROFITS

(The Vancouver Sun,
February 14, 1974)
How to get really rich in real estate

Buying, rent raising, remortgaging, selling brings profits

The VANCOUVER SUN: Thur., Feb. 14, 1974

By HALL LEIKEN
Sun City Hall Reporter

A routine investigation by the attorney-general's department into possible breaches of the Real Estate Act could explain the escalation of real estate prices and rents in Vancouver.

The investigation is the subject of a suit by the company involved, Fullbrook, Bertram and Brown, 777 Hornby, which seeks a Supreme Court injunction to stop the investigation and damages against the investigators.

Defendants in the action are the attorney-general of B.C., superintendent of insurance Thomas Cantell, who administers B.C.'s Real Estate Act, his deputy, Don Anderson, and insurance department employees M. E. Hitchen and Dirk S. Doornberg.

Cantell said the action is, to his knowledge, the first attempt to block an investigation by his department.

He said the current Real Estate Act was introduced in 1958 and he joined the department in 1958.

The subject matter of the investigation is confidential. But there are documents on the public record which show the success of two Fullbrook, Bertram and Brown salesmen in the rising real estate market.

The two salesmen, Stanley Silverman and Edward Walmsley, operate a network of companies involving associates, friends and relatives.

Basically, their method of making money consists of buying a property, remortgaging and taking a profit through the remortgaging process or through resale.

Rental housing is the principal form of purchase, usually to be resold to a related company. Rents are raised to increase the mortgage value of the property.

Some examples:

An apartment property at 1200 West Fifteenth was purchased on June 28, 1973, for $63,000. It was resold Jan. 17, 1974, for $85,000, with $13,000 extracted in profits through remortgaging.

A house on a double lot at 3160 Dunbar, bought for $63,000 on May 24, 1973, was sold Aug. 1 for $78,000. The mortgages on the property total $70,000.

That represents a $7,000 gain over the original purchase price in remortgaging profit and a $15,000 gross profit in two months for the insider who first bought into the property.

A double lot at 2175-77 West Fourth, sold in February, 1972, for $43,000, was split, and each lot sold last year for $42,000.

A house at 1323 Walnut that rented for $250 before being sold was advertised recently for a $600 rent.

A property at 1335-37 Walnut, sold for $42,325 on April 30, 1973, was resold for $59,500 on Dec. 18, 1973.

In the meantime, mortgages on the property were boosted to $53,500, a gain of $11,175 on the original transaction.

The effect on rents of these increased prices is obvious. Rents must rise.

In mortgaging of revenue houses, the major factor in determining appraised value (on which the amounts of mortgages are based), is the amount of revenue derived from them, says John Iseli, manager of the Broadway-Blenheim branch of the Vancouver City Savings Credit Union.
Those who can afford the increased rents can stay on. Those who cannot must go.

"I'm not a charitable institution," Walmsley said in an interview.

"I'm in this business to make money, to make a fair return on my money. It's not up to me to provide housing for those who can't afford my rents. I sell space to live in. Those who can afford the going rate are welcome. Those who can't have to get out."

Silverman said that on at least four occasions he has personally rolled back rents on properties he owns where he determined the proposed increases would work a hardship on tenants.

He also points out that prices are rising at a fast clip in all sectors of the economy.

"Go into your supermarket and see what's happened to the price of food," Silverman said. "Nobody's calling the supermarkets speculators.

'Rename one thing'

"Name me one thing that went down (in price) last year. I don't think people can expect real estate to go down either."

Both Silverman and Walmsley deny they are speculators or that their activity is a factor in rising housing costs.

They say their activities would have little general effect if compared to the activities of large real estate firms.

"As far as inflating the value of properties, all we do is offer our properties for sale from time to time for the market value," said Walmsley.

"You get the price you can for it. Would you sell your own house for what you bought it for two or three years ago?"

It must be stressed that there is nothing illegal in the selling and reselling done by the companies.

However, the morality of such business activities is questioned by Ald. Mike Harcourt, chairman of council's housing committee.

Harcourt believes such transactions have a direct effect on housing costs and rents.

"Whether they are doing it with specific intentions or not, it's happening and we intend to stop it," he said.

"I look on it (such activity) as I look on land speculation where nothing is done but turning property over for profit. They add nothing to the city. I despise it."

Harcourt said he has had a number of reports of single-family houses being converted by the Walmsley-Silverman group into suites and said he considers this equally reprehensible.

Repairs needed

"We have to retain occupier ownership in the city or our neighborhoods are going to go down the drain," he said. Harcourt also referred to allegations that the group fails to keep houses in a proper state of repair.

"I haven't heard their side of it yet, but they are the one group in town I get the majority of complaints on that they're not fixing up," he said.

Told that Silverman and Walmsley claim their management arm, Silver Lane Management Ltd., does respond quickly to tenants' complaints of disrepair, Harcourt said:

"They can say they're fixing up until they're blue in the face, but I'd like to see some evidence of it."

Council hopes this legislative session to get a charter amendment that would empower the city to fix up premises below a certain standard of repair and to charge the cost to the owner of the property on his tax bill.

"I think you can just tell these people to beware of the Ides of March," Harcourt said.

Julius Caesar was stabbed in the back by his fellow Romans on the Ides of March. But it seems unlikely this fate will befall Silverman and Walmsley.

Edward Clarence Walmsley, 29, lives in an opulent waterfront home at 3240 Marine, West Vancouver. One associate puts its worth at $300,000.

According to large newspaper ads placed by his company, Fulbrook, Bertram and Brown Ltd., Walmsley, in the first nine months of 1973, sold $3.5 million worth of revenue and residential property.

The only other salesman in Walmsley's league at FBB — again according to company ads — is Stanley Hugh Silverman. He was also a $3.5-million man in the first nine months of 1973.

Two addresses

Silverman, also in his late 20s, sometimes lists his home address as 1993 Quilchena Crescent and sometimes uses the address 1603 Matthews.

Both are clean-cut, highly presentable men.

Walmsley wears a moustache that gives a certain added authority to his tanned face.

Silverman is a curly-headed individual who gives the impression of being a university student rather than one of the hottest real estate salesmen on the West Coast.

Between them they control or have interest in 12 holding companies and are connected in various ways to a number of others.

The Vancouver Sun's study of their activities comes from assessment and tax roll records, records of the registrar of companies, the land registry office and real estate records.

These records show over the past year or so a pace of buying and selling real estate, inter-company trading, mortgaging and remortgaging, that can only be described as dizzying.

Besides the 12 companies Walmsley and Silverman control outright or have directorships in, two other companies they deal with are controlled by relatives.
Two other companies involve fellow employees at Fulbrook, Bertram and Brown.

And, at least three other companies show up on real estate records as regularly dealing with Silverman’s and Walmsley’s companies and associates.

A number of other companies and individuals crop up consistently in connection with properties that Silverman and Walmsley deal with or have dealt with, but the precise relationships are difficult to determine.

Definite trend

But a definite trend recurs throughout the relationships.

Once a property is acquired, the appraised value must be driven up as quickly and as high as possible.

In that way the amount of mortgages on a property can rise well above the initial price paid by the group.

Anything above the initial price in the way of mortgages can either be taken out as profit or used as the down payment for further acquisitions.

The simplest way to convince a mortgage company that a property has a high value is to get as much revenue out of it as possible. This means as much rent as possible.

And, the higher the annual rental revenue that can be shown, the higher the appraised value.

There is a rough rule of thumb used in the mortgage trade to determine appraised value. The method consists of taking the yearly income of the property and multiplying it by a factor of between 6.3 and 10.

Thus, a rooming house with an income of $10,000 a year would roughly be appraised at $65,000. If the appraiser were an easygoing type, and the risks were right, the property might be appraised as high as $100,000.

Thus one can postulate a rough formula for becoming a successful investor in rental housing:

High rents equal high mortgages equal high profits. And, of course, higher rents mean higher mortgages, mean higher profits still.

There seems to be three ways of going about it.

First, by mortgaging and remortgaging a property by way of repeated sales through the various companies until the rents and the mortgages have been driven as high as they can reasonably be expected to go.

Second, by getting a good buy and then selling it off for a quick capital gain.

Third, by a combination of the first two.

The first method would seem to be the most attractive. It has the advantage of generating profits that can either be taken out or reinvested, at the same time retaining control of the property and the possibility of making more profits in the future.

The Walmsley-Silverman property at 3622 Point Grey Road will illustrate how the system works.

From Jan. 19, 1973, to Nov. 2, 1973, it was sold and resold at least five times. At least four of the transactions were between Silverman-Walmsley companies.

The property rose from an initial price of $37,750 to $65,000. At present, there is a first mortgage outstanding of $45,000 and a second mortgage of $11,500, for total mortgages of $56,500.

Thus, between the original selling price of $37,750 and the present mortgage, there is a difference of $21,750. This can be regarded as the profit that has been taken out of this property so far.

Number of deals

However, the first resale involved someone who, while he has had a number of dealings with Walmsley-Silverman companies, may not be a member of their circle.

The property first came into clear control of Walmsley-Silverman on April 9, 1973, when Silverman bought it for $45,000.

From $45,000 to $59,500 is $14,500. That means that Walmsley-Silverman and their associates had at least $14,500 to plow back into other properties or take as profit. And they still own the property.

Another property at 1423 Walnut, was bought on May 23, 1973, for $50,000. It has mortgages totalling $32,500, a modest increase of $2,500. The property is now on the market for $69,500.

The Silverman-Walmsley holdings aroused the interest of Barry Holmes, a 22-year-old University of B.C. student, when Holmes was working last October as a volunteer for the Kitsilano Area Resources Centre.

Holmes found a high number of tenant complaints against Silver Lane Management Ltd., the management company used by Silverman and Walmsley.

Holmes tried to get some tenant relief and in the process, stumbled upon the fact that a large number of apparently unrelated companies whose properties were managed by Silver Lane were, in fact, owned by Silverman, Walmsley, business associates and persons connected with them.

Some of the research for this article was done by Holmes, who brought the situation to the attention of The Vancouver Sun.

Walmsley and Silverman refused in an initial, three-hour interview on Jan. 29 to say specifically how many properties they have an interest in in the city.

When Silverman was contacted for an additional interview, he said he would make no more comment on the matter and neither would Walmsley.

He said he was "somewhat sore" that a number of his clients had been contacted by The Vancouver Sun in connection with gathering material for the article.
"I'll wait for it to come out, to let them make their allegations and then I intend to fight fire with fire," he said.

Silverman and Walmsley are both modest about their success.

"There are plenty of organizations that are bigger than ours in this field," said Silverman.

Government records show 569 property transactions carried out through Fullbrook, Bertram and Brown in 1973, 80 involving company employees as principals.

The lineup of companies connected with FBB employees, Walmsley and Silverman, is like a pyramid.

At the top are Silver Lane Holdings Ltd., and S and W Investments Ltd. They are controlled by Walmsley and Silverman alone.

Immediately below are a number of other companies that involve either or both of the principals along with various associates.

These, together with their directors, are:

**Market owner**

Blacklane Investments Ltd., Walmsley, Silverman, and Peter Black, of 4033 Delbrook, North Vancouver, owner of a meat market.

Greater Vancouver Holdings Ltd.: Walmsley and his wife, Lynn.

Magaoo Investments Ltd.: Silverman, Walmsley, Michael McCleery, a real estate salesman for Fullbrook, Bertram and Brown, and Barry Dunn.

Lincoln Holdings Ltd.: Walmsley and Ian McFarlane, manager of Zephyr - Mercury Sales.

Westfield Holdings Ltd.: Walmsley and John Laxton, lawyer and former provincial president of the New Democratic Party.

Marian Holdings Ltd.: Silverman and Ian G. and Marilyn Belcher, of 2620 West Thirteenth.

Kawi Holdings Ltd.: Silverman, Walmsley, Brian Heard, of 1904-777 Cardero.

Mandy Holdings Ltd.: Silverman, Patricia and Andrew Krieger, of 4772 Narvaez Drive.

Napoleon Enterprises Ltd.: Silverman, Walmsley, Michael and Lois Gurvin of 2450 Palmerston, West Vancouver.

Serin Holdings Ltd.: Silverman and his wife, Mary Jane.

Two other companies that can be said to be directly connected to Silverman are Mishigana Investments Ltd. and Rosmore Investments Ltd.

**Sister, lawyer**

Mishigana directors are Gerald and Karen Lecovin. Mrs. Lecovin is Silverman's sister. Lecovin also acts as a lawyer for several of the companies.

Rosmore Investments' directors are Mrs. Lecovin and Silverman's mother, Rose Pearl Silverman, of 7241 Cambie.

Two other companies connected to Silverman and Walmsley through Fullbrook, Bertram and Brown, are Excelsior Investments Ltd. one of whose directors is Ron Boulter, an FBB salesman; and Magnexx Holdings Ltd. Magnexx directors are Fred James Walker, FBB salesman, Robert J. B. Skinner and Jerald Weitzel, a dental surgeon.

Another company that can be related to Walmsley - Silverman through FBB is James B. Speiran Ltd., one of whose directors is J. B. Speiran, of 7625 Heather.

Speiran owns various properties together with Geoffrey Mook, of 5761 Sprott, Burnaby: R. J. Soden of 1630 Birchlynn, North Vancouver; and John Fullbrook, of Fullbrook, Bertram and Brown.

Another man who had had extensive dealings with Walmsley - Silverman is Robert Wayne Scott, a director of Silver Lane Holdings until Oct. 29, 1973.

Scott owns property together with Evelyn Dunning: of 5347 Oak. Scott uses the addresses 5347 Oak and 817 Pigott, Richmond.

Bearing in mind these various companies and personalities, it is possible to get a picture of how the system works by following a number of transactions involving various properties, using available records.

First, the property at 3622 Point Grey Road.


On April 9, Harrison sold to Silverman for $45,000.

On some date in September, Silverman sold the property to Silver Lane Holdings for an apparent sum of $45,000. The land registry office data is fuzzy on this point.

Again, on some indeterminate date between September and Nov. 2, Silver Lane Holdings sold the property to Westfield Investments for $55,000.

On Nov. 2, Westfield sold to Napoleon Enterprises for $63,000.

One of the interesting things about these deals is that, in addition to profits they make on sales as owners, Silverman and Walmsley also make commissions as agents for Fullbrook, Bertram and Brown.

Lawyer Laxton said he was unaware Walmsley had sold to another company, in which he, Walmsley, was involved.

Laxton said he was told by Walmsley that the house had been sold at a profit of $8,000 which, after the $3,000 commission, left a net of $5,000, or $2,500 for each Westfield partner.

Laxton said he had intended to go into long-term property investment.

He has taken steps to sever the business relationship with Walmsley since finding out that the venture is more speculative than long-term, Laxton said.

However, he said that, so far as he was aware, nothing wrong "either legally or morally" has been done in any Westfield transaction.

The property at 3160 Dunbar was bought by Silverman's brother-in-law, Lecovin. On April 24 for $67,000. Lecovin said he transferred it as distinct from selling, to Mishigana, the company he and his
wife are directors of, and then sold it on Aug. 1 for $78,000 to a consortium that includes Serin Holdings (Silverman and wife), Greater Vancouver Holdings (Walmsley and wife) and Ron Boulter.

**Sold in 1973**

The property at 1933 Balaclava was sold some time in July, 1973, to R. W. Scott, for $42,000. On Aug. 21, Scott sold it to Silver Lane Holdings, again for $42,000. On Nov. 8, 1973, Silver Lane sold it to Magnexx Holdings for $49,000.

The property at 1200 West Fifteenth was bought by James B. Speiran Ltd., on June 28, 1973, for $63,000 and sold on Jan. 17, 1974, for $85,000 to Westfield. It is now mortgaged for $76,000.

Silver Lane Holdings bought the property at 1335-37 Walnut on April 30, 1973, for $42,325. Silver Lane then sold to Black (of Blacklane Investments) for $52,500.

Black sold to Franz and Lauraine Lajcik, of 1337 Walnut, for $59,000. And they, in turn, sold to F. and L. Holdings Ltd., a company of which they are directors, for $59,500.

Mortgages totalling $53,500 exist against the property. That means $11,175 has been extracted since the original sale in April, 1973.

Walmsley bought 1628 Stephens for $50,000 on March 30, 1973. He sold it to Silver Lane Holdings on May 8, for $60,000 and Silver Lane then resold it for the same amount, $60,000, on May, 10.

However, it had picked up mortgages of $54,000 — $4,000 above the original purchase price.

**$8,900 profit**

On April 3, 1973, R. W. Scott bought 255 York for $74,000. It has mortgages against it of $62,900 and $20,000. That leaves a profit of $8,900.

Three properties in the 300 block West Twelfth have gone through a number of transactions that, to the outsider, appear most contorted.

The properties are 334 West Twelfth, 344 West Twelfth and 354-64 West Twelfth.

Mrs. A. M. P. Chouinard bought 334 West Twelfth in December, 1971, for $30,000. She acquired the two neighboring properties in May, 1973, for an apparent $44,500.

She sold 334 West Twelfth to Serin Holdings on Aug. 20, for $57,666. Serin sold the property two days later to S. and W. Investments for $58,000.

The property at 344 West Twelfth was also sold by Mrs. Chouinard to Serin for $57,666. Serin sold the property two days later to S. and W. Investments for $60,500.

Mrs. Chouinard sold 354-64 West Twelfth to Serin, also on Aug. 20, for the same odd sum, and later in the month, Blacklane Investments bought it for $60,500.

A sophisticated observer of real estate trends contacted by The Sun wondered why Walmsley and Silverman wanted to disguise their ownership by acting through four different companies.

No large immediate profit was made on those deals — perhaps $5,000 with another $4,800 in commissions.

But the group now has assembled valuable land in the middle of a block. Exactly the kind of land a developer would want.

Why all the different companies and why all the different individuals?

Silverman and Walmsley refuse to talk about it.

Presumably, there are two reasons, says a real estate expert.

Involvement can be disguised by dealing through a variety of apparently unrelated companies.

Secondly, working capital is brought in by outsiders like Black, Gurvin and Laxon to keep the wheels of the operation greased.

Walmsley said in an interview that he is merely someone who advises clients with money they want to invest. Why all the trading between related companies?

Walmsley says it often happens that one partner wants to sell a property and the other one does not. Thus it goes to a company in which the partner who wants to retain a piece of the action is involved.

What about the moral question raised by Ald. Harcourt? Silverman and Walmsley talked at length in the interview about the right to make a profit and free enterprise.

They saw nothing wrong with it, they said.

Michael Gurvin, of Napoleon Enterprises, a part owner of Gurvin Jewellers, 866 Granville, was asked if there was anything morally wrong with making a profit by raising rents in a house from $250 to $500 a month.

"I think that is criminal," he said.

**Given notice**

Gurvin has been given notice to vacate by his new landlord and is selling off all his stock.

Lecovin said he sympathizes with people whose rents are raised, but said he does not know what the answer to the problem is.

"Is it wrong for the price of housing to rise but not wrong when it's the price of oil or food?" he said.

"Can you expect the cost of housing and rents not to rise when the rest of the economy is expanding? I don't know what the answer is."

He said the only thing Silverman and Walmsley have done is that they have seen an opportunity and taken advantage of it.

"I guess they are taking advantage of their know-how and of their realization of what is happening in real estate in Vancouver," he said.

"They gambled, perhaps, while the rest of us were more conservative," Lecovin said.