

Economic Analysis of Proposed Changes to First Shaughnessy District Regulations and Policies

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1.0 Introduction

1.1 Background and Scope

In December 2013, Vancouver City Council approved a Heritage Action Plan that identified five key actions that the City planned to undertake to better support heritage conservation:

- Review the Heritage Conservation Program.
- Update the Heritage Register.
- Review the zoning for character homes.
- Develop sustainability initiatives.
- Develop heritage awareness and advocacy initiatives.

Each of these broad actions has several components, some of which are being completed by the City and some of which are being completed by a consulting team lead by Donald Luxton & Associates Inc. Coriolis Consulting Corp. was included on the consulting team to provide economic analysis inputs to the heritage planning work that is focused on helping the City review, assess, revise, and improve its heritage tools and policies.

The economic analysis is being completed and documented as needed for each step of the work. This report presents our analysis and findings related to changes being considered to the regulations and policies that govern the area known as First Shaughnessy, which are being refined to ensure greater retention of heritage homes and to improve the compatibility of new development with the existing heritage character of this neighbourhood.

Exhibit 1: Context of this Work within Overall Heritage Action Plan

| 1 Review the Heritage Conservation Program | 2 Update the Heritage Register | 3 Review Zoning for Character Homes | 4 Develop Sustainability Initiatives | 5 Develop Heritage Awareness and Advocacy Initiatives |
|---|---|--|---|--|
| <ul style="list-style-type: none"> • Develop a vision and strategic directions • Review best practices • Simply and streamline the approval process for heritage retention projects • Review regulations and incentive tools to encourage heritage building retention | <ul style="list-style-type: none"> • Develop a heritage context statement • Develop themes specific to Vancouver • Review the methodology for evaluating sites • Review how the register is maintained and updated • Identify potential sites for addition to the register | <ul style="list-style-type: none"> • Review and update the First Shaughnessy Official Development Plan to encourage heritage and character home retention • Review and update single-family zoning regulations (RS-5 and RS-3/3A) to encourage heritage and character home retention | <ul style="list-style-type: none"> • Develop an enhanced deconstruction and recycling strategy for buildings being demolished • Develop an energy retrofit program for existing buildings | <ul style="list-style-type: none"> • Improve public awareness of building bylaw amendments to help heritage retention • Engage and consult with the public on the implementation of the Heritage Action Plan |

We were asked to provide two pieces of work related to First Shaughnessy:

1. Market analysis to examine trends in the rate of sale and average sales prices in First Shaughnessy over the past five years, to identify any differences before and after some key dates related to when the City issued an Administrative Bulletin clarifying its existing policies in First Shaughnessy and when the City implemented a moratorium to temporarily restrict demolitions or significant alterations of pre-1940 houses in First Shaughnessy while the Heritage Action Plan work is underway.

2. An economic perspective on the likely market impacts of the regulatory and policy changes being contemplated for First Shaughnessy.

This report addresses each of these topics separately.

1.2 Standard Professional Disclaimer

This document may contain estimates and forecasts of future growth and urban development prospects, estimates of the financial performance of possible future urban development projects, opinions regarding the likelihood of approval of development projects, and recommendations regarding development strategy or municipal policy. All such estimates, forecasts, opinions, and recommendations are based in part on forecasts and assumptions regarding population change, economic growth, policy, market conditions, development costs and other variables. The assumptions, estimates, forecasts, opinions, and recommendations are based on interpreting past trends, gauging current conditions, and making judgments about the future. As with all judgments concerning future trends and events, however, there is uncertainty and risk that conditions change or unanticipated circumstances occur such that actual events turn out differently than as anticipated in this document, which is intended to be used as a reasonable indicator of potential outcomes rather than as a precise prediction of future events.

Nothing contained in this report, express or implied, shall confer rights or remedies upon, or create any contractual relationship with, or cause of action in favor of, any third party relying upon this document.

In no event shall Coriolis Consulting Corp. be liable to the City of Vancouver or any third party for any indirect, incidental, special, or consequential damages whatsoever, including lost revenues or profits.

2.0 Market Analysis of Residential Sales Trends in First Shaughnessy over the Past Five Years

Our scope of work includes examining trends in the rate of sale and average sales prices for single family houses in First Shaughnessy over the past five years, to identify any differences before and after some key dates related to when the City issued an Administrative Bulletin clarifying its existing policies in First Shaughnessy and when the City implemented a moratorium to temporarily restrict demolitions or significant alterations of pre-1940 houses in First Shaughnessy while the Heritage Action Plan work is underway. The main objective of this analysis is to see if there are any observable market responses to the imposition of more restrictive heritage conservation policies (i.e. the 2014 moratorium) or an increased awareness of existing heritage conservation policies (i.e. the 2012 Administrative Bulletin) in this neighbourhood.

We have documented our market analysis as follows:

1. We describe the regulatory context for First Shaughnessy, as this provides key dates for the analysis.
2. We outline our approach.
3. We present and analyze residential sales data.
4. We summarize our findings.

2.1 Regulatory Context and Implications for Key Dates for the Market Analysis

At present, there are three main regulations that govern development in First Shaughnessy:

1. The First Shaughnessy Zoning District (FSD), which is a comprehensive development zoning district that outlines permitted uses in this neighbourhood.
2. The First Shaughnessy Official Development Plan (FSODP), which is an area-specific plan that outlines goals, principles, and development regulations (e.g. permitted uses, density, height, site coverage, setbacks) that control and guide development in this neighbourhood. The FSODP has been in place since 1982.
3. The First Shaughnessy Design Guidelines which complement the development guidelines in the FSODP by outlining broad design principles and specific architectural, landscape, and streetscape design guidelines for development in First Shaughnessy. These design principles and guidelines have been in place since 1982, although in 1994 the City added two extra components to the Guidelines:
 - Terms of Reference for a First Shaughnessy Advisory Design Panel, which is an advisory body that reviews all significant development and minor amendment applications in the First Shaughnessy District and makes recommendations to City Council.
 - A list of properties in First Shaughnessy with houses that were built before 1940 and that, as of January 1994, were deemed to have heritage character merit (i.e. building and/or landscape characteristics reflective of pre-1940 development in Vancouver, such as roof form, massing, front porch design, exterior wall materials, window openings and frames, building details, mature landscaping features). This is called the First Shaughnessy Heritage Inventory.

These existing regulations already contain provisions that promote (but do not require) the conservation and restoration of pre-1940 houses of heritage merit in First Shaughnessy. However, the number of inquiries proposing to demolish pre-1940s buildings throughout Vancouver (not just in First Shaughnessy) rose

dramatically starting in about 2010 and, as a result, there has been heightened public interest around the loss of character homes. Therefore, the City took these steps for First Shaughnessy:

- In May 2012, the City issued an Administrative Bulletin to clarify the process for new house proposals in First Shaughnessy and to re-emphasize that the objective of the FSODP and Guidelines is to preserve and protect Shaughnessy's special character through the retention of pre-1940 houses of merit.
- In June 2014, the City imposed a one year moratorium on demolitions or significant alterations of pre-1940 houses in First Shaughnessy as an interim measure to protect heritage resources while heritage planning is underway on the Heritage Action Plan. The moratorium will expire on 24 June 2015.

We set the timeframe for the market analysis as January 2010 (i.e. two years before the City issued its Administrative Bulletin related to First Shaughnessy) to February 2015, which we divide into three periods to see if there are any observable impacts of the City's policy steps in First Shaughnessy so far:

- The 28 month period from January 2010 to April 2012 (before the Bulletin).
- The 25 month period from May 2012 to May 2014 (after the Bulletin but before the moratorium).
- The 9 month period from June 2014 to February 2015 (after the moratorium).

Exhibit 2: Key Timeframes for the Market Analysis



2.2 Approach

In examining trends in a local residential market (e.g. First Shaughnessy), we think it is helpful to review trends in the broader market and in a comparable benchmark neighbourhood to help understand the direction and rate of change that was occurring in the marketplace as a whole. This provides a context against which we can evaluate the local experience in First Shaughnessy. Therefore, our approach includes the following steps:

1. We look at trends in the overall single family residential market on the west side of Vancouver and in a nearby comparable neighbourhood, as a benchmark for reviewing trends in First Shaughnessy:
 - Using MLS data from the Real Estate Board of Greater Vancouver, we summarize trends in the single family housing market (rate of sales, average sales price) since January 2010 for the entire west side of Vancouver.
 - We define a local study area with similar residential properties that are not governed by the FSODP and Guidelines and are not affected by the moratorium, which we refer to as the “comparable study area” throughout this report.
 - Using BC Assessment Authority data (which includes all sales that were listed on the MLS as well as private sales and transactions) that we obtained from Landcor Data Corp.¹, we analyze trends in the

¹ Landcor Data Corp. is a licensed re-seller of BC Assessment Authority data, which is the most accurate and up-to-date real estate data set in BC. It includes all sale transactions, not just transactions that were listed on the MLS. We obtained a custom run data set from Landcor for this project.

single family housing market (rate of sales, average sales price) since January 2010 for this comparable study area.

2. Using BC Assessment Authority data that we obtained from Landcor Data Corp., we analyze trends in the single family housing market (rate of sales, average sales price) since January 2010 in First Shaughnessy to see if there are any observable impacts of the May 2012 Administrative Bulletin or the June 2014 moratorium.
3. We compare the analysis of trends in the single family market in First Shaughnessy to trends in the comparable study area and broader west side market, to see if trends in First Shaughnessy are materially different. In particular, we look for differences in sales trends for houses that are pre-1940 versus post-1940, because the City's policies focus on protecting pre-1940s homes.
4. We summarize our findings.

It is important to note that the sales data is small in many cases, so caution must be used when trying to reach broad conclusions.

2.3 Sales Activity in the West Side Single Family Market, 2010 to 2015

We look at sales activity in the overall single family market on the west side of Vancouver as a broad benchmark for reviewing trends in First Shaughnessy.

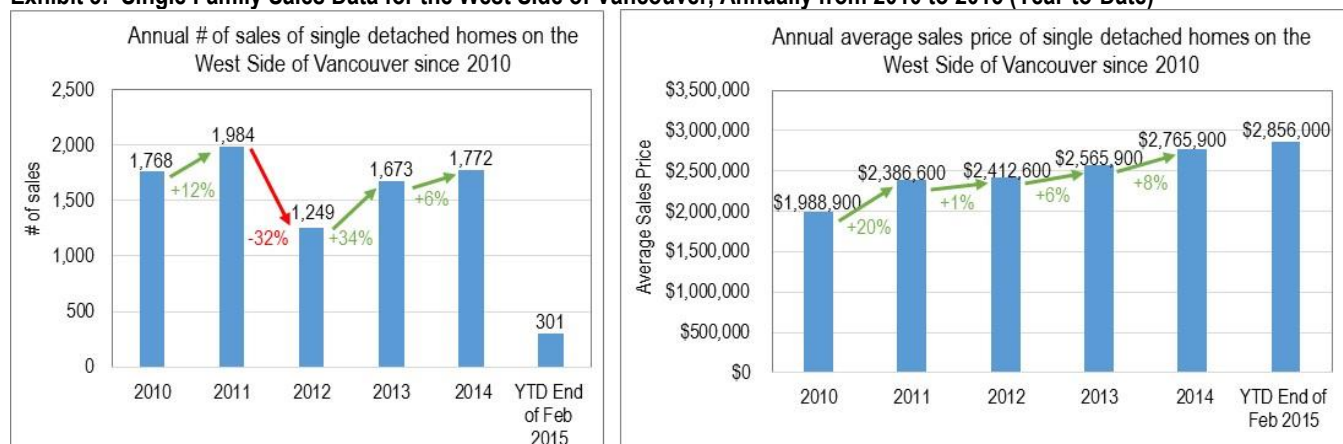
2.3.1 Annual Trends, 2010 to 2014

Exhibit 3 shows the total number of single family home sales each year since 2010 on the west side of Vancouver (see image on the left in Exhibit 1) and average sales prices (see image on the right).

As illustrated, the total number of sales of single family houses on the west side of Vancouver increased from 2010 to 2011, but there was a significant market dip in sales activity in 2012 (i.e. a drop of 32% compared to the number of sales in 2011). Sales volumes recovered in 2013 and 2014.

Despite the dip in the number of sales in 2012, the average sales price for single family homes on the west side of Vancouver increased each year during the five year period, although the year-over-year gain was materially lower (but still positive) from 2011 to 2012 compared to the gain from 2010 to 2011.

Exhibit 3: Single Family Sales Data for the West Side of Vancouver, Annually from 2010 to 2015 (Year-to-Date)



Source: Graphs produced by Coriolis based on an analysis of MLS sales data available via our online subscription to MLSLink.

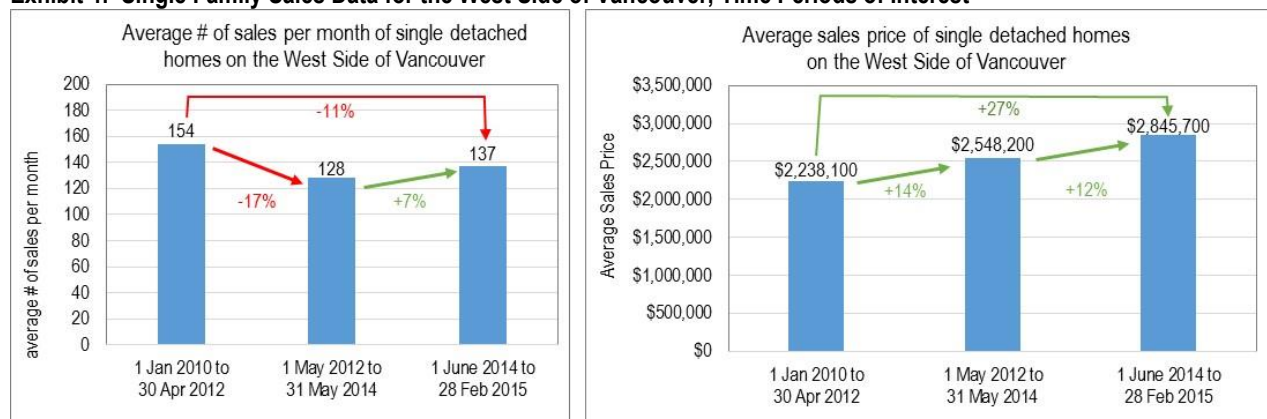
2.3.2 Trends During the Three Time Periods of Interest

Exhibit 4 shows the same single family home sales data for the west side of Vancouver, but summarized by the three time periods of interest rather than annually. For sales volumes, in Exhibit 4 we use the average number of single family sales per month (rather than the total number of sales in each time period), because the time periods are not equal lengths.

As illustrated in Exhibit 4, an average of 154 single family homes sold per month from January 2010 to April 2012 on the west side of Vancouver. The overall west side market experienced much lower sales activity during May 2012 to May 2014 (i.e. 128 sales per month on average, or a drop of 17% compared to the previous time period). Sales activity has been higher since June 2014, with an average of 137 sales per month from June 2014 to February 2015, although this is not as high as the initial time period.

Despite the dip in sales volumes in the second time period, average single family sales prices on the west side of Vancouver increased over the entire timeframe (increasing 27% overall from the first period to the third period).

Exhibit 4: Single Family Sales Data for the West Side of Vancouver, Time Periods of Interest



Source: Graphs produced by Coriolis based on an analysis of MLS sales data available via online subscription to MLSLink.

2.4 Sales Activity in the Comparable (RS-5) Study Area, 2010 to 2015

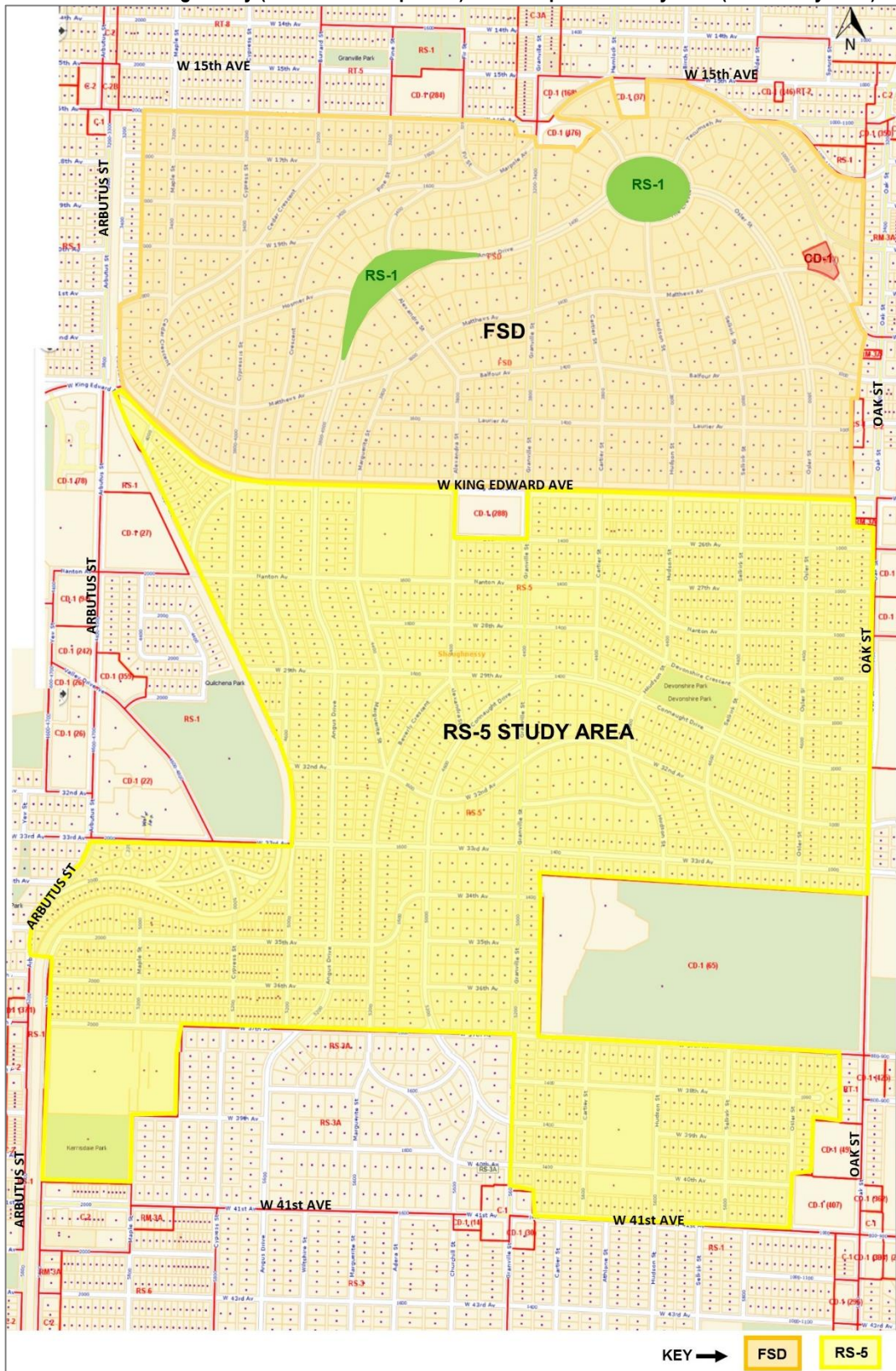
In addition to looking at trends in the overall single family market on the west side of Vancouver, we defined a local comparable market area in which we look at market conditions as a second benchmark for reviewing trends in First Shaughnessy.

2.4.1 Description of Comparable Study Area

We define the comparable study area to include RS-5 zoned properties in Shaughnessy generally located between Oak, Arbutus, King Edward, and West 41st. There are RS-5 zoned properties outside of this area, but we focused our analysis on this location because it is near First Shaughnessy, has a mix of property sizes including estate-sized lots, and has pre-1940s homes.

Exhibit 5 on the following page shows the location of this comparable study area relative to the location of First Shaughnessy. There are 1,604 single family properties in total in our comparable study area. Of these, 18 are on Vancouver’s Heritage Register.

Exhibit 5: First Shaughnessy (FSD-Zoned Properties) and Comparable Study Area (RS-5 Study Area)



Source: Produced by Coriolis Consulting Corp. based on data from VanMap.

2.4.2 Total Number of Single Family Homes that Sold or Traded Hands in the Comparable (RS-5) Study Area

Exhibit 6 shows the total number of arms-length sales transactions in the comparable study area since January 2010, as well as the number of non-arms-length property transactions (i.e. transfers between related parties, such as an estate passing from one generation to the next or from one spouse to a surviving spouse).² The data shows that:

- The total volume of activity since January 2010 (i.e. 259 sales or transfers) is equivalent to about 16% of the total inventory of properties in the comparable study area.³ This includes 157 sales (which works out to about 10% of the total inventory of properties) that sold in arms-length market transactions and a further 102 transfers (or about 6% of the total inventory of properties) via non-arms-length transactions.
- None of the transactions were for properties that are on Vancouver’s Heritage Register.

Exhibit 6: Number of Single Family Property Sales/Transactions in the Comparable (RS-5) Study Area

| | Total # of Single Family Properties in the Comparable RS-5 Study Area | # of Arms-Length Sales Transactions since Jan 2010 | # of Non-Arms-Length Ownership Transfers since Jan 2010 | Total # of Transactions since Jan 2010 |
|---|---|--|---|--|
| Single family properties on the Heritage Register | 18 | 0 | 0 | 0 |
| Single family properties not on the Heritage Register | 1,586 | 157 | 102 | 259 |
| Total in Comparable Study Area | 1,604 | 157 | 102 | 259 |

Source: Calculated by Coriolis using data from VanMap and Landcor Data Corp.

2.4.3 Sales Trends Based on the Arms-Length Transactions in the Comparable (RS-5) Study Area

For the 157 arms-length sales transactions in the comparable RS-5 study area since January 2010, we look at trends by dividing the sales into five main categories:

1. Properties with pre-1940s homes that have not been recently upgraded and that are not listed on the City’s Heritage Register.
2. Properties with pre-1940s homes that have undergone a major renovation since 2000 and are not listed on the City’s Heritage Register.
3. Properties with homes that were built between 1940 and 1999 and are not listed on the City’s Heritage Register.
4. Properties with homes that were built in 2000 or later.
5. Properties with homes that are listed on the City’s Heritage Register. We included this category for completeness, but there have been no sales in this category in the comparable study area since January 2010.

² Arms-length transactions are those in which the buyer and seller act independently and have no relationship to each other. Non-arms-length transactions include sales in which the buyer and seller are related parties (e.g. an estate transfers from one generation to the next or a transfer between relatives), foreclosures, and transfers of partial interests. Both can be used as an indicator of the number of properties trading hands in a market, but only arms-length transactions provide a market-based indicator of sales prices.

³ Note that some properties sold more than once during the timeframe, so this is not meant to represent the share of properties that traded hands. It is simply one way to express the density of sales activity in the study area.

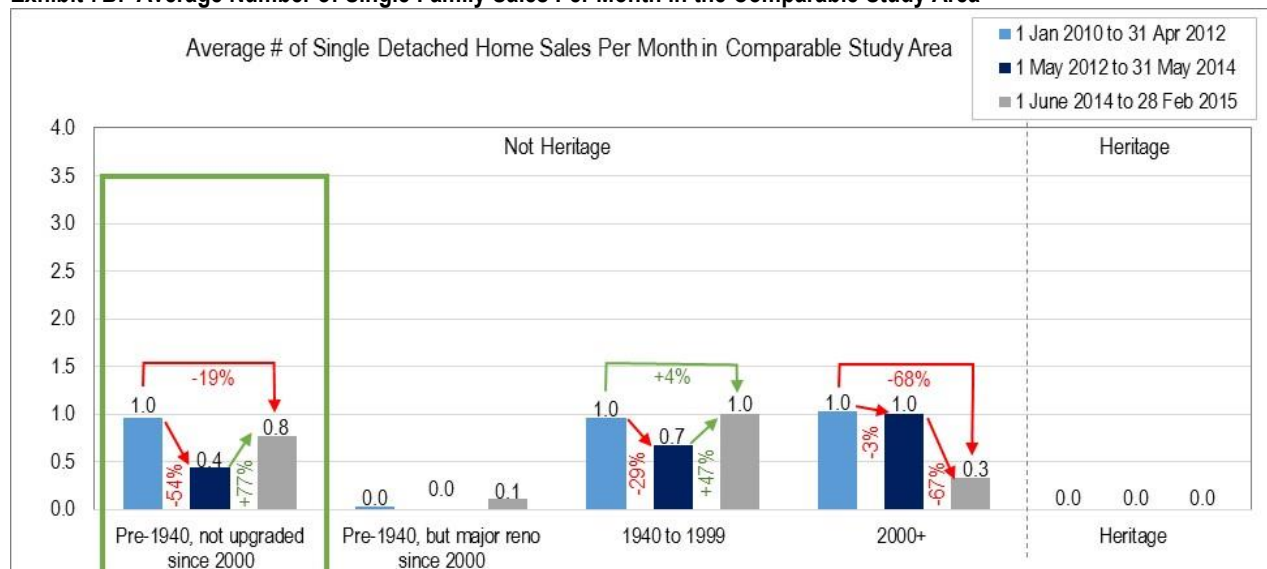
Exhibit 7A contains data about the volume of sales in each category for the three time periods of interest. We show the total number of sales as well as the average number of sales per month, but we focus on the latter (which we illustrate in Exhibit 7B) because the time periods are not equal lengths so it is a more representative indicator of trends. The data suggests the following key points:

- The volume of single family sales in the comparable study area is small in absolute terms, averaging 2.5 sales per month over the whole timeframe (see Exhibit 7A).
- From January 2010 to April 2012, an average of 3 single family homes sold per month in the comparable study area (see Exhibit 7A). Similar to the trend in the overall west side market, the comparable study area experienced lower sales activity during May 2012 to May 2014 (i.e. 2.1 sales per month on average, or a drop of 29% compared to the previous time period), but sales were higher after June 2014.
- Sales of pre-1940s homes in the comparable study area show the same general trend in volume as the overall west side market, with a dip in the number of single family sales per month in the second time period. However, looking at the data in terms of a percentage change from the previous period, the dip was steeper (-54%) for pre-1940s homes in the comparable study area that have not been upgraded recently compared to 1940 to 1999 homes in the comparable study area (-29%), homes built in 2000 or later in the comparable study area (-3%), and the dip in the west side market overall (-17%).

Exhibit 7A: Number of Single Family Sales in the Comparable Study Area

| | Total # of Arms-Length Sales | | | | Average # of Arms-Length Sales Per Month | | | |
|--|------------------------------|---------------------------|----------------------------|------------|--|---------------------------|----------------------------|------------|
| | 1 Jan 2010 to 30 Apr 2012 | 1 May 2012 to 31 May 2014 | 1 June 2014 to 28 Feb 2015 | Overall | 1 Jan 2010 to 30 Apr 2012 | 1 May 2012 to 31 May 2014 | 1 June 2014 to 28 Feb 2015 | Overall |
| 1. Pre-1940 house, no major upgrades since 2000, not on City's Heritage Register | 27 | 11 | 7 | 45 | 1.0 | 0.4 | 0.8 | 0.7 |
| 2. Pre-1940 house, major upgrade since 2000, not on City's Heritage Register | 1 | 0 | 1 | 2 | 0.0 | 0.0 | 0.1 | 0.0 |
| 3. House built in 1940 to 1999, not on City's Heritage Register | 27 | 17 | 9 | 53 | 1.0 | 0.7 | 1.0 | 0.9 |
| 4. House built in 2000+ | 29 | 25 | 3 | 57 | 1.0 | 1.0 | 0.3 | 0.9 |
| 5. Properties on the Vancouver Heritage Register | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total for Comparable Study Area | 84 | 53 | 20 | 157 | 3.0 | 2.1 | 2.2 | 2.5 |

Exhibit 7B: Average Number of Single Family Sales Per Month in the Comparable Study Area



Source: Produced by Coriolis based on an analysis of BC Assessment Authority data obtained from Landcor Data Corp.

Exhibit 8A contains data about sales prices in each category for the three time periods of interest. We show the overall average sales price as well as the average sale price per square foot of lot area, but we focus on the latter (which we illustrate in Exhibit 8B) to help account for the wide variation in the size of lots in the comparable study area. The data suggests the following key points:

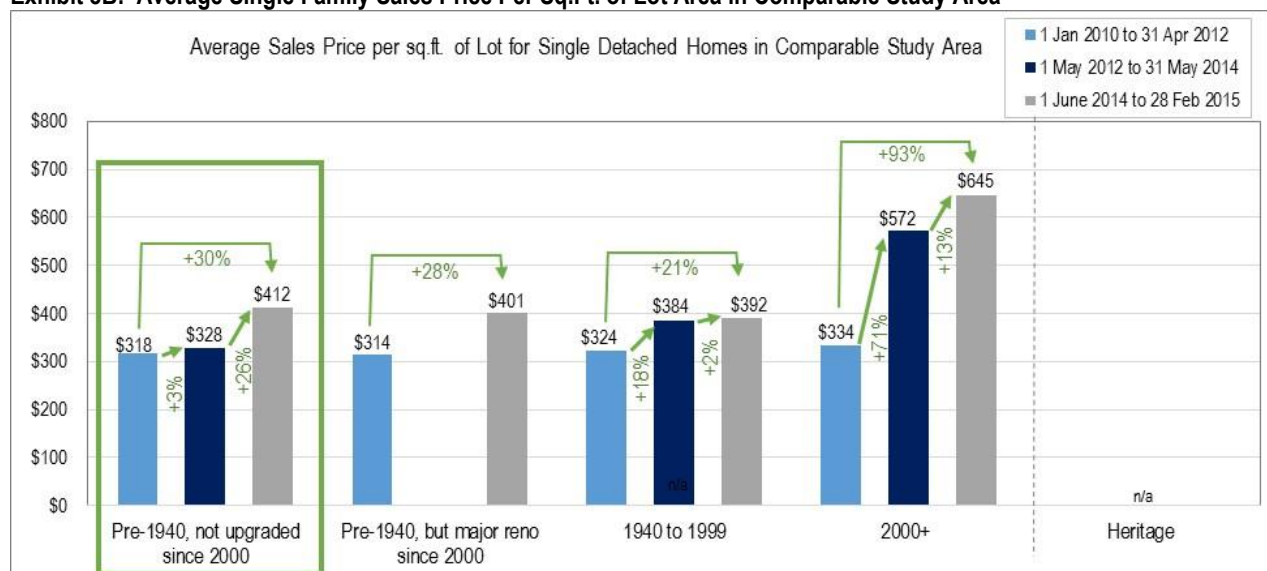
- Average single family home sales prices (in terms of \$ per square foot of lot area) in the comparable study area increased in all categories over the entire timeframe, consistent with the overall pattern in the west side market.
- Average sales prices (in terms of \$ per square foot of lot area) are significantly higher for new homes than for pre-1940s homes in the comparable study area. We would expect the value for new houses to be higher than older houses (particularly older houses that have not been renovated), in part because the house is new and in part because newer houses may be bigger. However, not only are recent sales prices higher in absolute terms (i.e. \$645 per sq.ft. of lot area for new homes that have sold since June 2014 compared to \$412 per sq.ft. for pre-1940s homes that have not been renovated and that sold over the same time period), but the rate of price increase was significantly higher for new homes compared to older homes (i.e. 93% versus 30% comparing the third period to the first period for new homes and un-renovated pre-1940s homes). This could be explained by newer houses being increasingly larger or more luxurious over time, particularly because in the RS-5 study area there are no heritage demolition restrictions so there is no particular reason for the market to avoid un-renovated pre-1940s homes.

Exhibit 8A: Average Sales Prices (Overall and PSF of Lot Area) for Single Family Sales in the Comparable Study Area

| | Average Sales Price | | | | Average Sales Price per sq.ft. of Lot Area | | | |
|--|---------------------------|---------------------------|----------------------------|-------------|--|---------------------------|----------------------------|----------|
| | 1 Jan 2010 to 30 Apr 2012 | 1 May 2012 to 31 May 2014 | 1 June 2014 to 28 Feb 2015 | Overall | 1 Jan 2010 to 30 Apr 2012 | 1 May 2012 to 31 May 2014 | 1 June 2014 to 28 Feb 2015 | Overall |
| 1. Pre-1940 house, no major upgrades since 2000, not on City's Heritage Register | \$2,691,000 | \$2,960,000 | \$4,103,000 | \$2,977,000 | \$318 | \$328 | \$412 | \$338 |
| 2. Pre-1940 house, major upgrade since 2000, not on City's Heritage Register | \$5,600,000 | no sales | \$2,830,000 | \$4,215,000 | \$314 | no sales | \$401 | \$338 |
| 3. House built in 1940 to 1999, not on City's Heritage Register | \$2,609,000 | \$3,385,000 | \$3,351,000 | \$2,984,000 | \$324 | \$384 | \$392 | \$356 |
| 4. House built in 2000+ | \$3,027,000 | \$4,601,000 | \$5,771,000 | \$3,862,000 | \$334 | \$572 | \$645 | \$448 |
| 5. Properties on the Vancouver Heritage Register | no sales | no sales | no sales | no sales | no sales | no sales | no sales | no sales |
| Total for Comparable Study Area | \$2,815,000 | \$3,871,000 | \$3,951,000 | \$3,316,000 | \$326 | \$456 | \$438 | \$384 |

Source: Produced by Coriolis based on an analysis of BC Assessment Authority data obtained from Landcor Data Corp.

Exhibit 8B: Average Single Family Sales Price Per Sq.Ft. of Lot Area in Comparable Study Area



Source: Produced by Coriolis based on an analysis of BC Assessment Authority data obtained from Landcor Data Corp.

2.5 Sales Activity in First Shaughnessy, 2010 to 2015

Now we look at trends in single family sales in First Shaughnessy and compare them trends observed in sales volumes and activity in our benchmark neighbourhood and the overall west side single family market.

2.5.1 Description of First Shaughnessy Study Area

The location of First Shaughnessy was shown on Exhibit 5 in Section 2.4.1. It is a geographically small area generally bounded by West 16th on the north (although in some locations the boundary is marked by West 15th or Richelieu), Oak Street on the east (except that lots fronting Oak are excluded), King Edward on the south, and East Boulevard on the west. It includes all of the FSD-zoned properties in the City.

There are 595 single family properties in First Shaughnessy, which can be divided into three broad groups in terms of heritage character:

- “Heritage” properties, meaning those that are on the First Shaughnessy Heritage Inventory and the Vancouver Heritage Register. We note that most of these are not actually protected as heritage via a Heritage Alteration Permit or some other means, but the City has identified them as heritage resources.
- “Character” properties, meaning those that are on the First Shaughnessy Heritage Inventory but not on the Vancouver Heritage Register. These are properties that, as of January 1994, the City identified as having potentially meritorious houses. Since 1994, some of these have been renovated and some have been demolished and replaced with new houses, but we understand that many remain unchanged.
- “Unlisted” properties, meaning those that are not on the First Shaughnessy Heritage Inventory or the Vancouver Heritage Register.

Of the total 595 single family properties in First Shaughnessy:

- 81 properties are Heritage (14%).
- 272 properties are Character (46%).
- 242 properties are Unlisted (40%).

This means that a total of 353 (almost 60%) of the properties in First Shaughnessy are Heritage or Character.

2.5.2 Total Number of Single Family Homes that Sold or Traded Hands in First Shaughnessy

Exhibit 9 shows the total number of arms-length sales transactions and transfers of ownership via non-arms-length transactions in First Shaughnessy since January 2010. The data shows that:

- The total volume of activity since January 2010 (i.e. 114 sales or transfers) is equivalent to about 19% of the total inventory of properties in First Shaughnessy.⁴ This includes 61 arms-length market sales (which works out to about 10% of the total inventory of properties) and a further 53 non-arms-length transfers (which works out to about 9% of the total inventory of properties). This indicates to us that the level of real estate market activity in First Shaughnessy is proportionally similar to that in the comparable RS-5

⁴ Note that some properties sold more than once during the timeframe, so this is not meant to represent the share of properties that traded hands. It is simply one way to express the density of sales activity in the study area.

study area (in which sales/transfers represented 16% of the total inventory of properties over the same time period, including about 10% in arms-length sales plus 6% in non-arms-length transfers).

- The number of arms-length sales in First Shaughnessy was split almost equally between Heritage/Character properties (30 sold since January 2010) and Unlisted properties (31 sold since January 2010). However, because there is a larger inventory of Heritage/Character properties than Unlisted properties in First Shaughnessy, this means that there is a higher proportional rate of sale among the Unlisted properties (i.e. 31 arms-length sales compared to an inventory of 242 Unlisted properties, or 13%, versus to 30 arms-length sales compared to an inventory of 353 Character and Heritage properties, or 8%).

Exhibit 9: Number of Single Family Property Sales/Transactions in First Shaughnessy

| | Total # of Single Family Properties in First Shaughnessy | # of Arms-Length Sales Transactions since Jan 2010 | # of Non-Arms-Length Ownership Transfers since Jan 2010 | Total # of Transactions since Jan 2010 |
|----------------------------------|--|--|---|--|
| Character | 272 | 25 | 11 | 36 |
| Heritage | 81 | 5 | 7 | 12 |
| Subtotal of Character + Heritage | 353 | 30 | 18 | 48 |
| Unlisted | 242 | 31 | 35 | 66 |
| Total in First Shaughnessy | 595 | 61 | 53 | 114 |

Source: Calculated by Coriolis using data from the First Shaughnessy Heritage Inventory in the First Shaughnessy Design Guidelines, a City of Vancouver staff report to Council dated 30 May 2014 about interim steps to enhance the protection of First Shaughnessy and pre-1940s character houses, and data from VanMap and Landcor Data Corp.

2.5.3 Sales Trends Based on the Arms-Length Transactions

2.5.3.1 Division of Sales Data into Categories

For the 61 arms-length sales transactions in First Shaughnessy since January 2010, we look at trends in the volume of sales and average sales prices for nine main categories of properties:

Unlisted:

1. Unlisted properties with houses that were built in 2000 or later.
2. Unlisted properties with houses that were built in 1940 to 1999.
3. Unlisted properties with houses that were built pre-1940 but that have been recently upgraded.
4. Unlisted properties with houses that were built pre-1940 that have not been recently upgraded.

Heritage:

5. Properties with Heritage houses that have been recently upgraded.
6. Properties with Heritage houses that have not been recently upgraded.

Character:

7. Properties with houses that are listed on the First Shaughnessy Heritage Inventory as having heritage merit, but that are now developed with a new house.

8. Properties with houses that are listed on the First Shaughnessy Heritage Inventory as having heritage merit, and the house has been recently upgraded.
9. Properties with houses that are listed on the First Shaughnessy Heritage Inventory as having heritage merit, and the house has not been recently upgraded.

Section 2.5.3.2 provides the data and illustrative graphs showing trends in sales volumes and average sales prices for each of these categories, and Section 2.5.3.3 provides our observations about market trends for each category. As previously noted, it is important to keep in mind that the data sets are small. We have presented the numeric findings, but caution must be used when extrapolating trends.

2.5.3.2 Data and Graphs

Exhibit 10A contains data about the volume of sales in each category for the three time periods of interest. We show the total number of sales as well as the average number of sales per month, but we focus on the latter (which we illustrate in Exhibit 10B) because the time periods are not equal lengths so it is a more representative indicator of trends.

Exhibit 11A contains data about sales prices in each category for the three time periods of interest. We show the overall average sales price as well as the average sale price per square foot of lot area, but we focus on the latter (which we illustrate in Exhibit 11B) to help account for the wide variation in the size of lots in the First Shaughnessy.

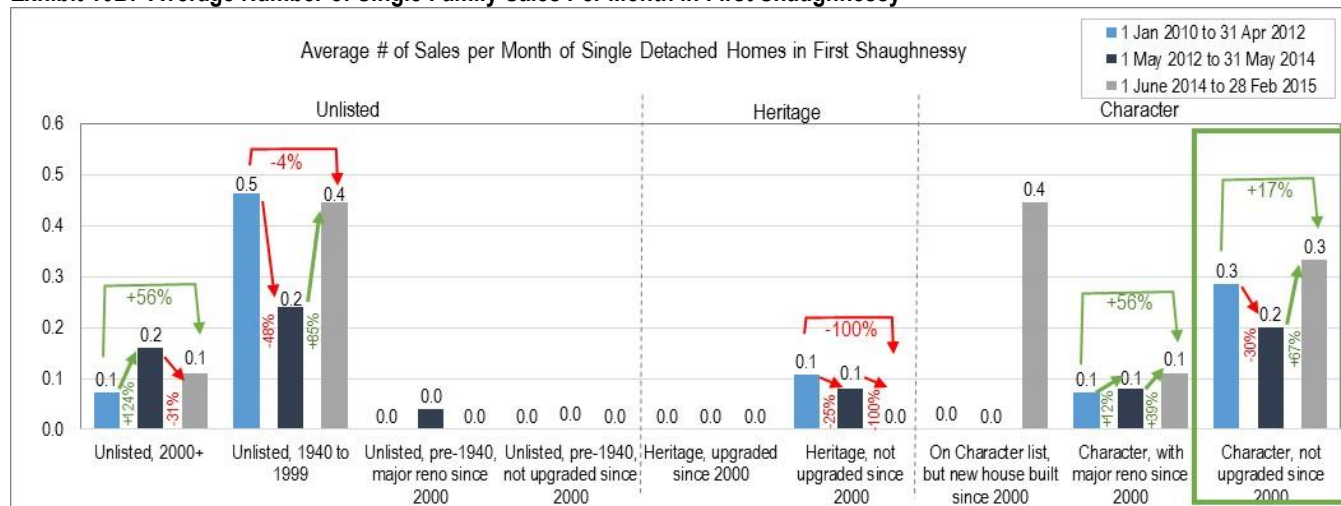
The observations about trends in each category provided in the following section refer to these exhibits.

Exhibit 10A: Number of Single Family Sales in First Shaughnessy

| | Total # of Arms-Length Sales | | | | Average # of Arms-Length Sales Per Month | | | |
|---|------------------------------|------------------------------|-------------------------------|---------|--|------------------------------|-------------------------------|---------|
| | 1 Jan 2010 to 30 Apr 2012 | 1 May 2012 to 31 May 2014 | 1 June 2014 to 28 Feb 2015 | Overall | 1 Jan 2010 to 30 Apr 2012 | 1 May 2012 to 31 May 2014 | 1 June 2014 to 28 Feb 2015 | Overall |
| 1. Unlisted, built in 2000+ | 2 | 4 | 1 | 7 | 0.1 | 0.2 | 0.1 | 0.1 |
| 2. Unlisted, built in 1940 to 1999 | 13 | 6 | 4 | 23 | 0.5 | 0.2 | 0.4 | 0.4 |
| 3. Unlisted, pre-1940 house, major upgrade since 2000 | 0 | 1 | 0 | 1 | 0.0 | 0.0 | 0.0 | 0.0 |
| 4. Unlisted, pre-1940 house, no major upgrades since 2000 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 5. Heritage, major upgrade since 2000 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 6. Heritage, no major upgrades since 2000 | 3 | 2 | 0 | 5 | 0.1 | 0.1 | 0.0 | 0.1 |
| 7. On Character list, but new house built since 2000 | 0 | 0 | 4 | 4 | 0.0 | 0.0 | 0.4 | 0.1 |
| 8. On Character list, major upgrade since 2000 | 2 | 2 | 1 | 5 | 0.1 | 0.1 | 0.1 | 0.1 |
| 9. On Character list, no major upgrades since 2000 | 8 | 5 | 3 | 16 | 0.3 | 0.2 | 0.3 | 0.3 |
| Total for First Shaughnessy | 28 | 20 | 13 | 61 | 1.0 | 0.8 | 1.4 | 1.0 |

Source: Produced by Coriolis based on an analysis of BC Assessment Authority data obtained from Landcor Data Corp.

Exhibit 10B: Average Number of Single Family Sales Per Month in First Shaughnessy



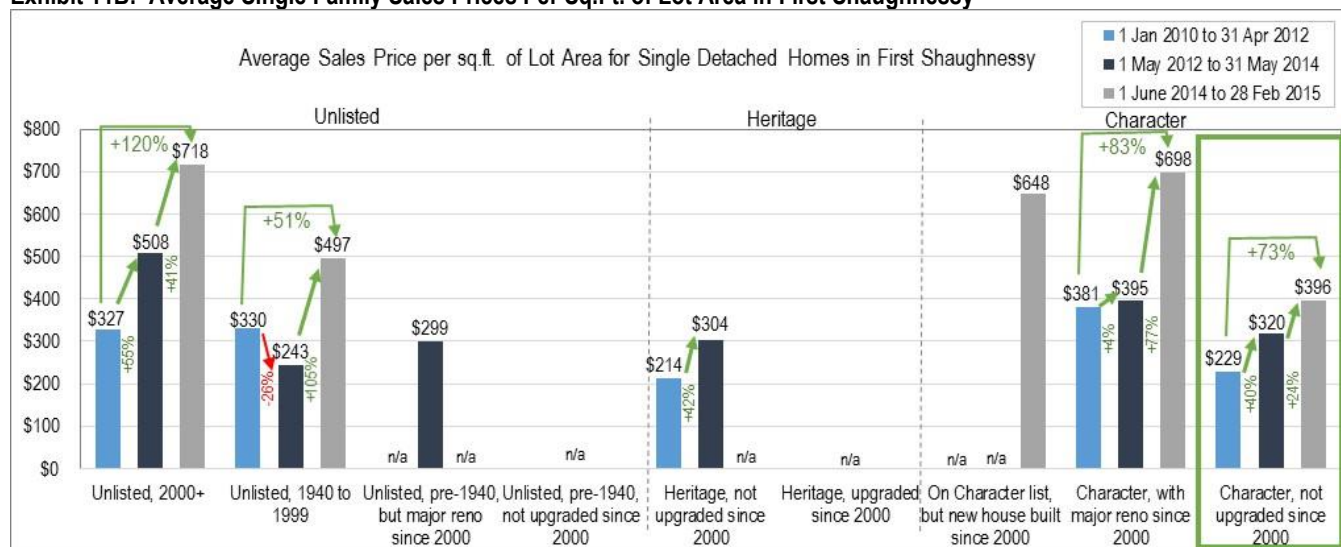
Source: Produced by Coriolis based on an analysis of BC Assessment Authority data obtained from Landcor Data Corp.

Exhibit 11A: Average Sales Prices for Single Family Houses in First Shaughnessy

| | Average Sales Price | | | | Average Sales Price per sq.ft. of Lot Area | | | |
|---|---------------------------|---------------------------|----------------------------|--------------|--|---------------------------|----------------------------|----------|
| | 1 Jan 2010 to 30 Apr 2012 | 1 May 2012 to 31 May 2014 | 1 June 2014 to 28 Feb 2015 | Overall | 1 Jan 2010 to 30 Apr 2012 | 1 May 2012 to 31 May 2014 | 1 June 2014 to 28 Feb 2015 | Overall |
| 1. Unlisted, built in 2000+ | \$5,595,000 | \$7,685,000 | \$14,350,000 | \$8,040,000 | \$327 | \$508 | \$718 | \$490 |
| 2. Unlisted, built in 1940 to 1999 | \$5,990,000 | \$3,155,000 | \$8,679,000 | \$5,178,000 | \$330 | \$243 | \$497 | \$343 |
| 3. Unlisted, pre-1940 house, major upgrade since 2000 | no sales | \$3,500,000 | no sales | \$3,500,000 | no sales | \$299 | no sales | \$299 |
| 4. Unlisted, pre-1940 house, no major upgrades since 2000 | no sales | no sales | no sales | no sales | no sales | no sales | no sales | no sales |
| 5. Heritage, major upgrade since 2000 | no sales | no sales | no sales | no sales | no sales | no sales | no sales | no sales |
| 6. Heritage, no major upgrades since 2000 | \$6,065,000 | \$10,995,000 | no sales | \$8,037,000 | \$214 | \$304 | no sales | \$255 |
| 7. On Character list, but new house built since 2000 | no sales | no sales | \$10,140,000 | \$10,140,000 | no sales | no sales | \$648 | \$648 |
| 8. On Character list, major upgrade since 2000 | \$5,077,000 | \$5,363,000 | \$9,300,000 | \$6,036,000 | \$381 | \$395 | \$698 | \$450 |
| 9. On Character list, no major upgrades since 2000 | \$3,843,000 | \$5,773,000 | \$6,154,000 | \$4,880,000 | \$229 | \$320 | \$396 | \$288 |
| Total for First Shaughnessy | \$5,291,000 | \$5,738,000 | \$9,030,000 | \$6,234,000 | \$287 | \$338 | \$553 | \$356 |

Source: Produced by Coriolis based on an analysis of BC Assessment Authority data obtained from Landcor Data Corp.

Exhibit 11B: Average Single Family Sales Prices Per Sq.Ft. of Lot Area in First Shaughnessy



Source: Produced by Coriolis based on an analysis of BC Assessment Authority data obtained from Landcor Data Corp.

2.5.3.3 Trends by Category

Based on the data and graphs shown in Section 2.5.3.2, we have the following observations for each category of properties in First Shaughnessy.

Category 1: Unlisted, built in 2000+

First, we look at trends for properties in First Shaughnessy that are technically governed by the moratorium but for which it has no real meaning, because the properties are already developed with new houses (built since 2000) so restricting demolition is not an issue.

- Total number of sales: A total of 7 sales of Unlisted properties with houses built in 2000 or later occurred from January 2010 to February 2015 (see Exhibit 10A).
- Rate of sale: As shown in Exhibit 10B, the average number of sales per month for houses in First Shaughnessy built in 2000 or later spikes during May 2012 to May 2014, which is different than the dip observed in the comparable study area and broader west side market in this time period.
- Average sales prices: Looking at Exhibit 11B, the average sales price per sq.ft. of lot area for these sales increased over the whole timeframe, which is the same pattern as in the comparable study area and broader west side market, although the rate of increase is higher in First Shaughnessy.

This suggests to us there may be heightened interest in properties in First Shaughnessy that are not really affected by the moratorium.

Category 2: Unlisted, built in 1940 to 1999

- Total number of sales: A total of 23 sales of Unlisted properties with houses built between 1940 and 1999 occurred from January 2010 to February 2015 (see Exhibit 10A). This category had the highest share of the sales in First Shaughnessy (i.e. 23 of 61 properties, or 38%) since January 2010.
- Rate of sale: The pattern of sales volumes for Unlisted properties with houses built in 1940 to 1999 matches the general trend observed in the comparable study area and overall west side market, with a dip in sales activity in the second period (see Exhibit 10B).
- Average sales price: Unlike the comparable study area and overall west side market, there was a dip in the average sales price for these kinds of houses in First Shaughnessy in the second period, after the City issued the Administrative Bulletin. While caution must be used in reaching broad conclusions about these trends (because there are limited sales to examine and there is a variety of reasons why properties that sold could have a lower average sales price per sq.ft. of lot area, such as having smaller houses or houses that are in poor condition), it is possible that the issuance of the Administrative Bulletin could have contributed to the dip in average sales prices per sq.ft. of lot area (although the Bulletin focuses mainly on re-emphasizing policies related to pre-1940s homes, not 1940 to 1999 homes). Even if this was the case, average sales prices for 1940 to 1999 homes in First Shaughnessy increased after June 2014 (after the moratorium was put in place), so there is no evidence of a continued downward influence on prices for Unlisted homes built between 1940 and 1999 in First Shaughnessy.

Category 3: Unlisted, pre-1940, upgraded since 2000

Over the past five years, there was only 1 sale of a recently renovated pre-1940s home in First Shaughnessy that was not on the First Shaughnessy Heritage Inventory.

Category 4: Unlisted, pre-1940, and not upgraded since 2000

Over the past five years, there was only 1 sale of an un-renovated pre-1940s home in First Shaughnessy that was not on the First Shaughnessy Heritage Inventory. From Exhibit 9 above, we know that 40% of the properties in First Shaughnessy are Unlisted, but we do not know how many of these are pre-1940s (i.e. it is possible that most pre-1940s homes in First Shaughnessy are on the Heritage Inventory and that there are not many Unlisted pre-1940s homes in this neighbourhood). If there is a material number of pre-1940s homes in this neighbourhood that are Unlisted, the sales data suggests to us that heightened public concern about demolition of pre-1940s homes could have reduced market interest in these kinds of homes.

Category 5: Heritage, upgraded since 2000

There were no sales in this category over the past five years.

Category 6: Heritage, not upgraded since 2000

- Total number of sales: A total of 5 sales of un-renovated Heritage properties occurred since January 2010 in First Shaughnessy.
- Rate of sale: The 5 sales occurred in the first and second periods, and illustrate the same dip as in the comparable study area and overall west side market (see Exhibit 10B).
- Average annual sales price: Exhibit 11B shows there was an increase in the average sales price for un-renovated Heritage properties in First Shaughnessy from the first time period to the second (consistent with the market wide trend), but the data set is too small to draw meaningful conclusions about price trends.

The 5 sales are equivalent to 6% of the total inventory of Heritage properties in First Shaughnessy. This is slightly lower than the density of arms-length sales in the comparable RS-5 study area (where arms-length sales were the equivalent of 10% of the total inventory of properties) and First Shaughnessy as a whole (10%) over the same period, suggesting that the market is less interested in Heritage properties that have not been upgraded.

Category 7: On the Character list, but have new houses

Four of the sales of single family houses in First Shaughnessy over the past five years were for properties that were listed as having houses with heritage merit on the First Shaughnessy Heritage Inventory (which was compiled in 1994), but for which the sales data shows that the existing house has since been demolished and a new house has been built on the property. These sales are not relevant to our analysis, and the sales all occurred in the third period, so we cannot look at trends in any case.

Category 8: On the Character list, but have houses that have been upgraded since 2000

- Total volume of sales: There were very few sales (5 over the entire timeframe) of pre-1940s homes that had major upgrades since 2000.
- Rate of sale: The data shows that the average number of sales per month increased over the timeframe (see Exhibit 10B).
- Average sales price: Consistent with the market wide trend, the average sales price for upgraded Character homes in First Shaughnessy has been increasing over time (see Exhibit 11B).

Category 9: On the Character list, not upgraded since 2000

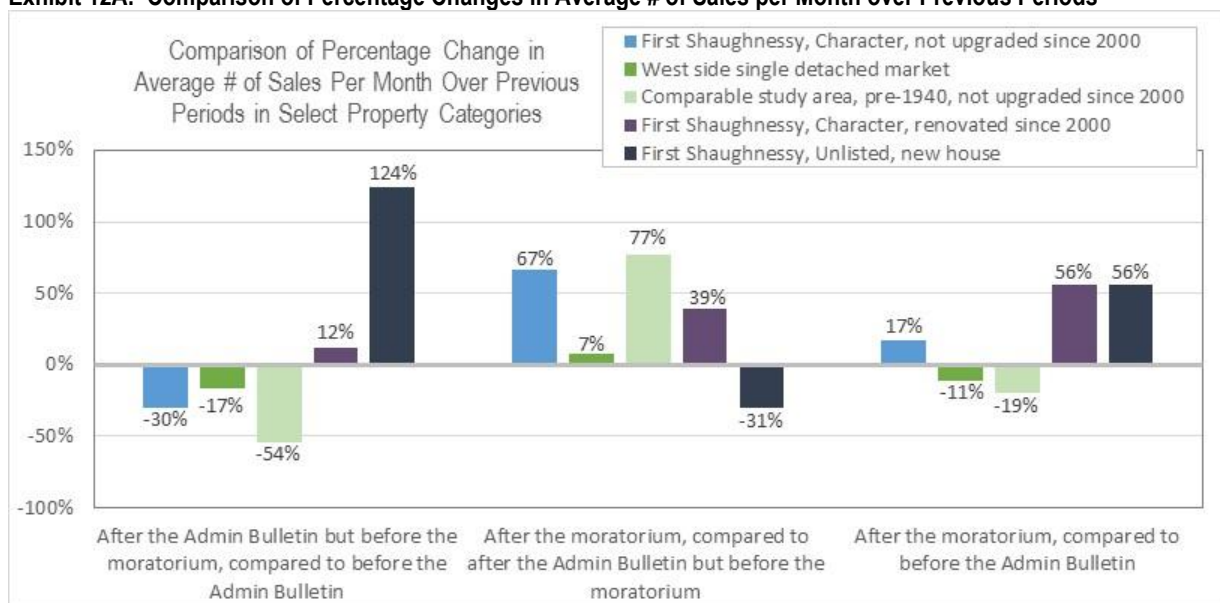
This is the main category of interest. We have the following observations:

- **Total number of sales:** A total of 16 Character homes that have not been recently upgraded sold in First Shaughnessy over the past five years (or 26% of the total sales in this neighbourhood). From Exhibit 9 above, we know that 272 properties in First Shaughnessy are Character homes, although we do not know the share of these that have not undergone major recent renovations. If we express the 16 sales as a percentage of the total inventory of Character homes in First Shaughnessy (which understates the share of older Character homes that have sold because some of the 272 properties in the Character category have been replaced by new homes and some have been renovated), the data suggests that at least 6% of the Character homes have sold over the past five years. This is slightly lower than the density of arms-length sales in the comparable RS-5 study area (10%) and First Shaughnessy as a whole (10%) over the same period, suggesting that the market is less interested in Character properties.
- **Rate of sale:** Sales volumes in this category show the same general pattern as in the comparable study area and overall west side market, with a dip in sales in the second period (see Exhibit 10B).

However, we think it is useful to compare changes in the rate of sale of un-renovated Character homes in First Shaughnessy to changes in the rate of sale for renovated Character homes and new homes in First Shaughnessy, similar aged homes in the comparable study area, and the west side market as a whole. Exhibit 12A shows the percentage change in the rate of sale for three periods: (a) after the Administration Bulletin but before the moratorium, compared to before the Bulletin, (b) after the moratorium, compared to after the Administration Bulletin but before the moratorium, and (c) after the moratorium compared to before the Bulletin.

Interestingly, renovated Character houses and new houses in First Shaughnessy did not experience the same dip in market activity, suggesting to us that there is less market interest in First Shaughnessy for un-renovated Character homes than for properties for which the moratorium has no real impact (i.e. properties where restricting demolition is not an issue because they have new or recently renovated homes). This is further supported by our previous observation (see Section 2.5.2) that there was a higher proportional rate of sale among the Unlisted properties in First Shaughnessy (13% when expressed as a share of the total inventory) compared to the Character and Heritage properties (8%).

Exhibit 12A: Comparison of Percentage Changes in Average # of Sales per Month over Previous Periods



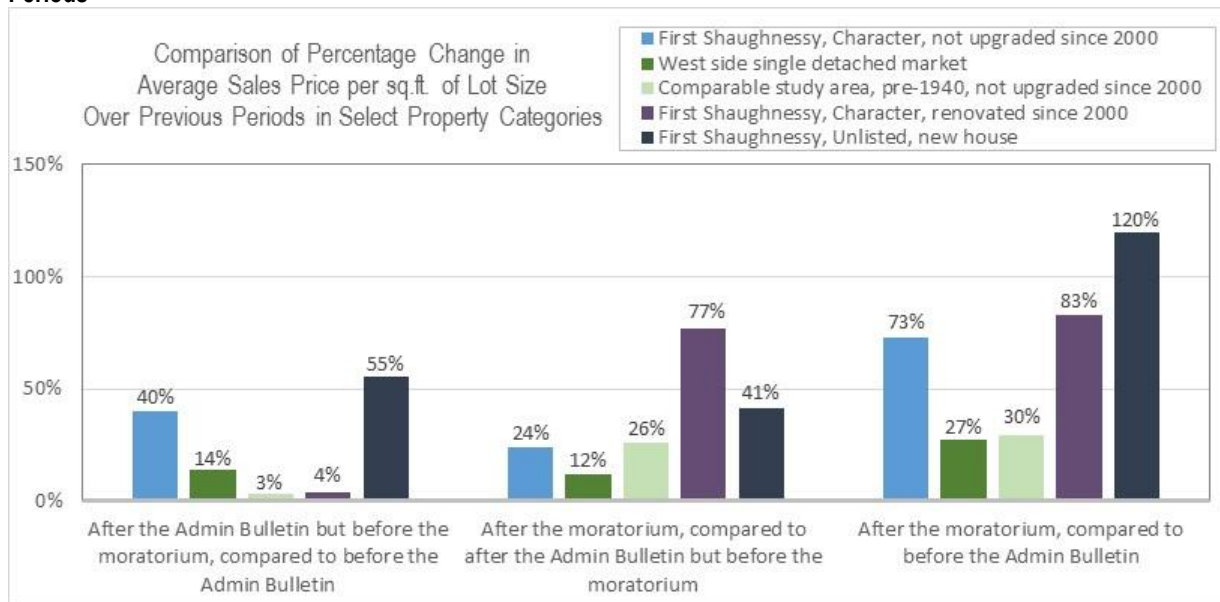
- Average sales prices:** Un-renovated Character homes in First Shaughnessy saw average price growth of 40% after the City issued the Administrative Bulletin, and a further 24% growth after the demolition moratorium in First Shaughnessy was put in place. This reflects the general market trend of increasing prices over the entire timeframe. However, we think it is useful to compare this growth to the pace of growth for renovated Character homes and new homes in First Shaughnessy, similar aged homes in the comparable study area, and the west side market as a whole.

Exhibit 12B shows the percentage change in the average sales price per sq.ft. of lot area for three periods: (a) after the Administration Bulletin but before the moratorium, compared to before the Bulletin, (b) after the moratorium, compared to after the Bulletin but before the moratorium, and (c) after the moratorium compared to before the Bulletin.

Interestingly, the average price growth for Character homes in First Shaughnessy without recent upgrades (40% and 24%) is on par with or exceeds that for similar aged homes in the comparable RS-5 study area (which saw price growth of 3% and 26% comparing the same time periods) and the overall west side market (14% and 12% price growth comparing the same time periods). Average sales price growth for un-renovated Character homes in First Shaughnessy fell short of average sales price growth for new homes in this area though. As we noted in the analysis of trends in the comparable RS-5 study area, this could be due to a tendency for new homes to be larger and more luxurious over time. However, it could also reflect a transfer of interest in First Shaughnessy towards properties not affected by Character home restrictions.

This suggests to us that the City's actions did not reduce property values for un-renovated Character homes in First Shaughnessy, but may have dampened the rate of price growth for pre-1940s Character homes in First Shaughnessy compared to new homes in this neighbourhood.

Exhibit 12B: Comparison of Select Percentage Changes in Average Sales Price per sq.ft of Lot Area over Previous Periods



2.6 Implications

In our opinion, the sales evidence (although limited in some categories) over the five year period suggests the following key points:

1. The City's steps to date (i.e. publishing the Administrative Bulletin emphasizing the City's existing policies and imposing the temporary moratorium) have not caused un-renovated Character houses in First Shaughnessy to drop in value. Average sales prices (in terms of \$ per sq.ft. of lot area to account for the variation in property sizes in First Shaughnessy) for un-renovated Character homes increased by 40% after the City published the Administrative Bulletin and by a further 24% after the City imposed the temporary moratorium on demolitions in First Shaughnessy. However, un-renovated Character homes in First Shaughnessy did not see the same percentage increases in average prices as new houses in this neighbourhood. The more rapid price growth for new homes in First Shaughnessy may be due to a trend towards building bigger and more luxurious houses over time, but it is also possible that the City's steps may have transferred some interest in First Shaughnessy away from properties with un-renovated Character homes and thereby dampened the pace of price growth for un-renovated Character homes in First Shaughnessy.
2. Within this preliminary scope, it is difficult to quantify the market impacts of the City's steps to date because the number of recent sales in First Shaughnessy (particularly for pre-1940s homes) is small and there is significant diversity among properties (in terms of site size, size of improvements, condition of existing house, and other factors).
3. To the extent that First Shaughnessy may have seen a little less growth in average sales prices compared to new houses in the same neighbourhood, this is consistent with what we would expect in the market based on the consequences of heritage designation. Generally speaking, requiring the retention of an existing house limits options, potentially imposes costs (to the extent that heritage-sensitive renovation can be more expensive), and limits flexibility in house layout. For buyers that do not attach a premium to heritage characteristics, these restrictions are likely to reduce market interest. In a generally rising market, this reduced interest has a risk of resulting in slower price growth compared to properties without the constraint.

3.0 Proposed Process and Regulatory Changes in First Shaughnessy

3.1 Description of the Proposed Changes

The City wants to create an improved regulatory system for First Shaughnessy that will result in the retention of pre-1940s homes and better preserve the character of the neighbourhood. The City is considering changes to both the approvals process and the regulations governing properties in First Shaughnessy, which we have described in detail in Appendix 1. Key points are as follows:

1. First Shaughnessy will be designated as a Heritage Conservation Area and retention of all pre-1940s houses will be required. Demolition of pre-1940s houses will not be permitted.
2. For all projects (heritage renovations/additions and demolition/new construction), the process will involve an enquiry to the City and then a concurrent Heritage Alteration Permit and Development Permit process, rather than a sequential process of enquiry, Character Merit Evaluation, and Development Permit as in the existing situation. The City anticipates that the overall processing time for properties with pre-1940s homes will be shorter under the proposed system (by up to 3 months) compared to the existing system, but the same for properties with post-1940s homes. Holding aside the proposed new requirement to retain all pre-1940s homes, in our view the proposed new application process is not materially better or worse than under the existing situation.
3. For pre-1940s renovations/additions, the maximum density is unchanged (0.45 FSR).
4. To help off-set some of the increased restriction of requiring retention of all pre-1940s homes, the thresholds that trigger the use of some incentives will be lower than in the existing situation (e.g. multiple conversion dwellings will be considered for renovations of existing pre-1940s houses over 6,000 sq.ft. instead of 7,000 sq.ft. and infill units will be considered for pre-1940s sites over 20,000 sq.ft. instead of 23,000 sq.ft.). However, these incentives will still only apply to relatively large houses and large sites.
5. For new houses (presumably on properties with post-1940 homes that are approved for demolition), the proposed new maximum density equation (i.e. $(0.25 \times \text{site area}) + 1,400 \text{ sq.ft.}$, instead of 0.45 FSR) means that the maximum permitted floorspace for new houses will be higher than under the existing situation for sites less than 7,000 sq.ft., but lower for sites bigger than 7,000 sq.ft. (see Appendix 1, which illustrates this point in more detail). The intent of this change is to make sure that new construction is in better keeping with the scale and character of the retained heritage homes.

3.2 Approach

We try to gauge the impacts of the proposed new policy changes on development projects, looking at implications of changes to the approvals process and implications of changes to the regulations governing development parameters. We look at the impacts based on our knowledge of how markets respond to increased costs and/or decreased flexibility. We have not been given any cost information, so our scope does not include any pro forma analysis of the proposed changes.

3.3 Potential Economic Impacts of the Proposed Changes to the Approvals Process

While the proposed applications process will involve different steps than in the existing situation, the City anticipates that the overall processing time will be faster for sites with pre-1940s homes and about the same for sites with post 1940s homes. Holding aside the proposed scheduling of all pre-1940s homes as protected heritage resources, we do not see the new process per se having a negative impact on the market in First Shaughnessy.

3.4 Potential Economic Impacts of the Proposed Changes to the Regulations

Based on the way the proposed new regulations are written, we have divided the potential impacts into three categories:

1. **Impacts on renovations/additions on small sites (< 20,000 sq.ft.) with small pre-1940s homes (<6,000 sq.ft).** Under the proposed system, pre-1940s homes will be scheduled as protected heritage resources under a Heritage Conservation Area ODP and retention of all pre-1940s homes will be required. Even though the existing FSODP and Design Guidelines already clearly articulate the City's objective of retaining pre-1940s homes in First Shaughnessy, the proposed changes will eliminate any market perception that there is the potential to demolish pre-1940s homes in this area. Depending on the siting and configuration of existing houses, it may not be possible to accommodate all of the un-used portion of the permitted 0.45 FSR in a renovation/addition, it is possible that (even if extensive interior renovations are permitted) the number or type of living spaces that can be accommodated in a renovation of an existing house would not match what the market would look for in a new house, and higher design requirements for renovations (e.g. restrictions about materials that can be used) could increase construction costs. In our view, the market will view the proposed regulatory changes as more restrictive than in the existing situation.

This loss of flexibility applies to all pre-1940s homes, but the incentives that are being considered to help off-set any impacts do not apply to small sites with small homes. In our view, because there will be new restrictions but no new off-setting incentives that apply to small homes on small sites, there will likely be decreased market interest for small sites with small pre-1940s homes in First Shaughnessy. Given the overall context in the Vancouver single family housing market, we do not expect small sites with small pre-1940s homes in First Shaughnessy to experience a drop in property value, but there is a risk that there will be a dampening on the pace of price growth for these properties.

2. **Impacts on renovations/additions on large sites (>20,000 sq.ft.) with large pre-1940s homes (>6,000 sq.ft).** While the same added restrictions apply to large sites with large pre-1940s homes, the proposed regulatory changes reduce the required site size and house size thresholds at which the incentives kick in, so that more large properties with large houses in First Shaughnessy can explore the options of multiple conversion dwellings and infill units.

Our scope of work does not include quantifying whether permitting multiple conversion dwellings or strata infill units is enough of an incentive to off-set the proposed added restrictions in First Shaughnessy, but in our view the answer is probably highly property dependent, in terms of a given house's feasibility of renovation/division into multiple units and ability to accommodate an infill unit.

- 3. New construction.** In our view, the proposed regulatory changes may lead to a slight upward influence on the marketability and value of sites less than 7,000 sq.ft. that will remain candidates for new construction (i.e. properties with post-1940s homes), because the proposed new maximum density formula yields more floorspace potential for this size of property than under the existing situation. However, the achievable new house size will be smaller than under existing regulations on sites greater than 7,000 sq.ft. (with the intention of making sure that new houses are in better keeping with the scale and form of heritage development in the neighbourhood). In our view, this will have a downward influence on the marketability and value of sites larger than 7,000 sq.ft. with post-1940s buildings, but again given the overall market context in Vancouver we expect that this will mean there is a risk that there will be a dampening on the pace of price growth for these properties (not an actual decline in property value).

Appendix 1

Comparison of Existing and Proposed Process and Regulations for First Shaughnessy

Process

| | Existing (holding aside the moratorium) | Proposed |
|-------------------|--|--|
| Steps | <ol style="list-style-type: none"> 1. Enquiry to the City 2. Character Merit Evaluation process (which costs about \$2,000) 3. Development Permit process under the FSODP and First Shaughnessy Design Guidelines | <ol style="list-style-type: none"> 1. Enquiry to the City 2. Heritage Alteration Permit and Development Permit (processed concurrently) for all applications (renovations to existing buildings and demolition/build new) under a new Heritage Conservation Area ODP and a new zoning district |
| Average timeframe | <ul style="list-style-type: none"> • About 9 to 10 months for pre-1940 homes^a • About 6 to 7 months for post-1940 homes^a | <ul style="list-style-type: none"> • About 6 to 7 months for all projects^b |

Notes:

a: Steps 1 and 2 (enquiry and Character Merit Evaluation Process) take about 6 months for pre-1940 homes and about 3 months for post-1940 homes. Step 3 (DP) takes about 3 to 4 months.

b: Step 1 (enquiry) will take about 3 months for both pre and post-1940 homes and Step 2 (HAP, DP) will take about 3 to 4 months.

Regulations

| | Existing (holding aside the moratorium) | Proposed |
|------------------------------|--|--|
| Protection of pre-1940 homes | Properties are not protected heritage resources. First Shaughnessy Design Guidelines includes an inventory (from 1994) of houses with character merit, but this does not prevent applications to demolish houses on the list | Area will be designated as a Heritage Conservation Area (HCA) and all pre-1940 properties will be scheduled as “protected heritage resources”, meaning retention of all pre-1940s homes will be required. City may consider using the current process in rare cases (enquiry, Character Merit Evaluation process, DP), if a property does not have heritage merit and is structurally unsound (would need to remove property from HCA to permit demo). |
| Design guidelines | First Shaughnessy Design Guidelines provide general and specific guidelines for building, landscape, and streetscape design. | The new Heritage Conservation Area ODP will incorporate an updated version of the First Shaughnessy Design Guidelines, providing clear guidance about materials and design details for both character home renovations and new development. Same level of high-quality materials will be required for both renovations and new buildings. |
| Maximum FSR | <ul style="list-style-type: none"> • 0.45 for pre-1940s home renovations/additions • 0.45 for new buildings (either on properties with pre-1940s homes that are approved for demolition or on properties with post-1940s homes that are approved for demolition) | <ul style="list-style-type: none"> • 0.45 for pre-1940s home renovations/additions (same as current situation) • (0.25 x site area) + 1400 sq.ft. for new buildings (reduction is intended to ensure that new buildings have a better fit with the character of the area). Retention of all pre-1940s homes will be required, so this will only apply to properties with post-1940s homes that are approved for demolition^c |

Table continues on following page

| | Existing (holding aside the moratorium) | Proposed |
|----------------|---|---|
| Maximum Height | <ul style="list-style-type: none"> • 35 feet for pre-1940s home renovations/additions • 35 feet for new buildings | <ul style="list-style-type: none"> • 45 feet for pre-1940s home renovations/additions • 45 feet for new buildings |
| Other | <ul style="list-style-type: none"> • Existing houses over 7,000 sq.ft. can be converted into up to 4 units as part of pre-1940s home renovation/addition • Sites over 23,000 sq.ft. can have a strata infill unit as part of pre-1940s home renovation/addition | <ul style="list-style-type: none"> • Existing houses over 6,000 sq.ft. can be converted into up to 4 units (maybe 5 units in rare cases) • Sites over 20,000 sq.ft. can have a strata infill unit as part of pre-1940s home renovation/addition |

Notes

c: Interestingly, for properties that are less than 7,000 sq.ft., this will mean that the maximum floorspace for new buildings will be more than under the existing regulations and for properties greater than 7,000 sq.ft., the maximum floorspace for new buildings will be less than permitted under existing regulations. To illustrate:

| | 6,000 sq.ft. site | 7,000 sq.ft. site | 8,000 sq.ft. site |
|--|----------------------------|----------------------------|----------------------------|
| Existing maximum density for new construction (0.45) | 2,700 sq.ft. of floorspace | 3,150 sq.ft. of floorspace | 3,600 sq.ft. of floorspace |
| Proposed maximum density for new construction ((0.25 x site area) + 1400 sq.ft.) | 2,900 sq.ft. of floorspace | 3,150 sq.ft. of floorspace | 3,400 sq.ft. of floorspace |