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From: Correspondence Group, City Clerk's Office
Sent: Monday, January 13, 2014 4:25 PM
To: Public Hearing
Subject: FW: Public Hearing, West End Zoning Amendments

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From: Alex Roethe s.22(1) Personal and Confidential
Sent: Saturday, January 11, 2014 9:08 PM
To: Correspondence Group, City Clerk's Office
Subject: Public Hearing, West End Zoning Amendments

Dear Mayor and City Councillors,

I have read all 126 pages of the West End community plan, and would like to share with you my following observations, in advance of the hearings on the Zoning and Development bylaws.

I have been a resident and property owner in the West End since buying a 62 suite rental building in 1973. In 41 years I have acquired quite a good understanding of the economics and dynamics of our neighbourhood.

Here are some observations based on this experience:

1. The community plan identified 44,500 people living in 30,000 households in the area, 24,000 of which are rental households. Of these 2800 households have been identified as having an income of less than 2x their monthly rent. The plan then jumps to the conclusion that all these 2,800 households need to be provided with new financially assisted housing. The table on page 119 suggests a cost for this of 350 million dollars. I have trouble following these numbers. 350 million dollars for 2800 units would only be \$125,000 per unit. Clearly something is missing, and the real number would be well past 1 billion dollars. This obviously needs clarification.

Given that this number is by far the largest single expense category, I suggest you take a hard look at this issue, especially as it is also at the root of the argument for extra density to be provided in the Zoning Bylaw. Looking at my own customer base I can tell you that 4% of my customers are students at UBC or SFU. They have little or no "income", since they are funding their studies from loans, bursaries or family support, and their rent is surely more than twice their income, so they are part of the 2,800. Also looking at my customer base I can tell you that at least a further 4% of my customers are retired people, or people on a sabbatical from work, who likely show little or no income, due to the currently very low interest rates, but in fact have substantial assets, and will have no trouble paying their rent.

There are also a large number of people who decide to live alone, even though their income situation would suggest that shared accommodation would be appropriate. Living alone in an apartment in one of Canada's most expensive cities may be something not everybody should expect to be able to afford, or if they do choose to do so, comes at the cost of consuming a large share of their income.

Keep in mind also, that there are areas in Greater Vancouver where rents are far cheaper. The one bedroom apartment in the West End may cost \$ 1,200 per month, but an equivalent space in New Westminster is about \$ 700 pm. From my view point this is an economic choice, that each person can make for themselves.

The real number of people struggling to pay their rent is likely between 1 and 2 percent of tenants, so say 250 to 500 households. How do I know? I look at how many late payments or NSF cheques I get in a typical month, and that is where the real numbers are. The number of 2,800 households or 9% does not even come close to what I can find plausible, and I would urge council in the strongest possible terms to not start giving out bonus density, to address a need that in fact is grossly inflated.

2. The West End population has been stagnant for quite some time, and the 30 year growth has been half that of the city in general (Page 7). Working backwards through the numbers, 19% growth in 30 years says

that the 1983 population was 38,000, which then grew to 45,000 today. The 7,000 people who moved to the area match the number of people now living in Condos, most built in the last 30 years. So there appears to be demand for Condos, but little absorption for new rentals.

Think about this problem this way:

Real vacancy is currently between 3 and 4%. These are suites currently sitting empty, available to rent. Every single rental building in our neighbourhood has a "Vacancy" sign out, often for multiple suites. My own numbers show that I finished calendar 2013 with an average vacancy of 4.9%

My conclusion is that all population growth has occurred in Condos, and given the vacancy rate, the demand for rentals has in fact been flat.

Moreover, a vacancy rate of 3 to 4% means that there are currently 700 to 1,000 units actually empty.

So the suggestion that there is a shortage of rental housing is not supported by the facts.

3. What we do need to do is replace existing worn out rental buildings with new buildings, built to current fire safety and energy efficiency standards. Most of the 40 or more year old frame buildings are worn out and uneconomical to operate.

I suggest you do an inventory of the existing 3-storey frame buildings and calculate their existing FSR's. I would guess that this inventory is close to 5,000 suites, and this stock averages a 2.0 FSR.

If these buildings were replaced with concrete high rises built to a 3.0 FSR, from an existing 2.0 FSR, it would create a net new supply of 2,500 suites. This may well take 10 to 15 years to happen, and would need the City to commit to a simple and straight forward permitting process. This process also needs to be transparent and consistent.

Yes, some existing rental tenants would be displaced, but in time tenants would find improved choice and availability. Remember, there currently are 700 to 1,000 vacant suites, so there certainly is room to accommodate tenants that need to relocate, if we rebuild at the rate of 300 to 500 suites per year.

4. The West End has some of Canada's very best real estate. Ocean views, South-West exposures, plenty of green space are all very desirable. The zoning of FSR 3.0 that existed in the 1970's struck a very nice balance between density and liveability.

I would like to see a return to an across the board 3.0 FSR.

A small accommodation for commercial space on Robson-Denman-Davie at grade level may make sense, say a 4.0 FSR, but I do not see a need for 7 or 8.75 FSRs.

If my numbers above are right, redeveloping the low rise building sites to a 3.0 density would allow building 2,500 new units, which is equivalent to a 10 year supply at historic population growth rates. This seems plenty.

Yours truly,

Alex Roethe

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