

Douglas Todd: Vancouver land assemblies come with a range of difficulties

Opinion: Land assemblies are expanding amid debate — not only over homeowners who don't want to sell

Douglas Todd
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The Vancouver Sun



The detached house looks almost comical — a drab Vancouver Special sitting forlornly on an overgrown lot, squeezed between two under-construction apartment buildings.

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The odd scenario on Southwest Marine Dr. is becoming more common in Metro Vancouver, though, as realtors busily try to put together land assemblies for new condominium complexes by convincing a row of adjacent homeowners to sell.

Land assemblies are expanding in the midst of some debate — and not only because they present thorny situations for homeowners who refuse to sell, either because they like things the way they are or want more money. Housing specialists say land assemblies can also

break up existing communities and in the long run raise house prices.

The pressure to find land to build housing on has been heightening in the core of Canadian cities. “The Greater Vancouver Area is growing while effectively sandwiched between the ocean and the mountains — there simply isn’t anywhere to go,” says FCT, a Canadian company that specializes in property deals, in some cases by providing insurance for land assemblies.

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“Because land price is at a premium in cities, property owners with houses grouped together can command much higher prices than they could by selling individually,” says an advisory on FCT’s website. “Any contiguous group of properties can become part of a land assembly, but most often land assemblies include properties along or near a major transport conduit.”

University of B.C. geography professor emeritus David Ley, author of *Millionaire Migrants*, says municipal councils have been rapidly rezoning land throughout Metro Vancouver to respond to increased demand for housing, either to live in or as an investment. The rezoning encourages land assemblies, which can inspire argument.

“In part (a land assembly is) controversial because its major output has been luxury condos, which are not serving local affordability needs. And the cost of land assembly is forcing up land prices more generally, because it raises a homeowner’s expectations of what they will receive.”

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Land assemblies can also play a role in destabilizing existing neighbourhoods, said Ley. “I suspect they decrease affordability.” One reason, he said, is that some older single-family homes are swept up into land assemblies for expensive new condos might have once included affordable secondary suites.

It’s relatively rare in land assemblies to come across “orphan homes” where owners don’t sell along with the rest of their neighbours, said Ley.

“I suspect greed is not the only reason people refuse to sell. But once a home is stranded with condos on both sides I’m guessing its value would or should drop considerably.”

Vancouver realtor David Hutchinson, who has taken part in land assemblies in Vancouver, Coquitlam and elsewhere, said he’s run into several holdouts during his career, including homeowners who don’t want to sell their detached dwelling even as every other house on the block is snatched up around them.

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It can often be hard for realtors to simply track down rightful owners. He's knocked on doors and talked to people who initially say they don't own the property in question, when it turns out they actually do.

"It's hard to figure out their strategy. Everyone thinks the last man standing will get the most money. But we see that isn't always true," Hutchinson said.

No one was available when Postmedia tried to visit 83 Southwest Marine Drive, which now finds itself jammed awkwardly between two new apartment buildings on a busy thoroughfare.

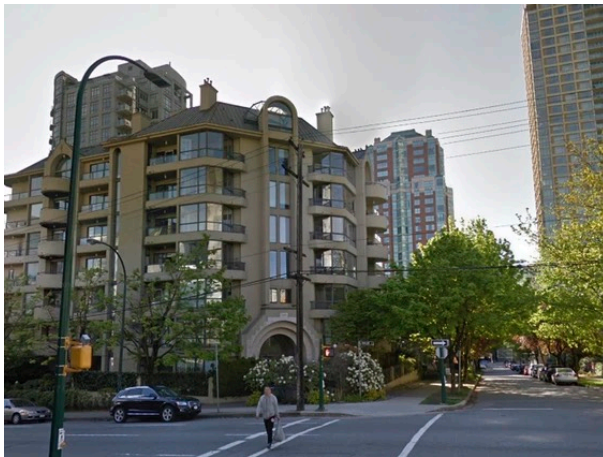
The property title document for the dwelling says it was bought in 2005 by Richard Lee for \$398,000. In 2021 the property was assessed at \$1.65 million, down slightly from \$1.82 million in 2019. The worn-looking structure is itself valued at only \$88,000.

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There are examples in Vancouver and elsewhere of holdouts who don't end up with a profit as handsome as they had sought.

In one conflict in Vancouver's West End, which went to court, a judge ruled that an attempt to assemble a 36-unit strata complex, called Barclay Terrace, could proceed — despite two condo unit owners not budging because they believed the price they were offered was too low.

While many owners at Barclay Terrace were selling far above assessed value, in the \$1 to \$2 million range, Ramin Malekmohammadi Nouri refused an offer of \$3.5 million. Nouri's asking price was \$10 million, which BPTI, a company representing developers, called "absurd." Negotiations ceased. And the judge ended up handing Nouri \$2.2 million for his unit, which was only assessed at \$672,000.



In cities such as Toronto, some now consider it a real-estate pastime to guess which lonely old building next to a new tower or condo complex is an opt-out from a land assembly. That's also happened in Vancouver, where social-media commentators and journalists have been trying to figure out why there is an abandoned gas station cheek-by-jowl with the ritzy new Vancouver House. The property owners won't reveal the answer.

Land assembly deals can be risky and take a long time. As specialists such as FCT say, once the developer has a few properties together, pressure mounts to start construction. "Delays with a single holdout in the group of owners can motivate the developer to change their plans for the site, (by) simply building around the property instead of waiting for a deal on it."

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In high-priced Metro Vancouver, massive land assemblies are becoming one of the big games in town, regardless of their potential downsides. If you happen to own a home, especially one near a transit line or arterial, you can never know who might come knocking next — making an offer that's difficult to refuse.

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