

Housing Prices in BC: A Quantitative Study of Zoning

Nathan Zemp, M.R.M. (Planning) Student





Land Acknowledgment

I want to acknowledge the Coast Salish First Nations whose unceded land this project takes place on particularly because this project is directly concerned with their land. Zoning-induced affordability pressures have spilled over from settler communities into Indigenous reserves, making it harder for Nations to achieve goals like recovering their land base and providing housing for all of their members. I hope that this research helps inspire zoning reforms that improve life outcomes for all British Columbia residents, particularly Indigenous peoples on- and off-reserve.





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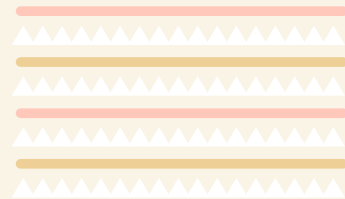
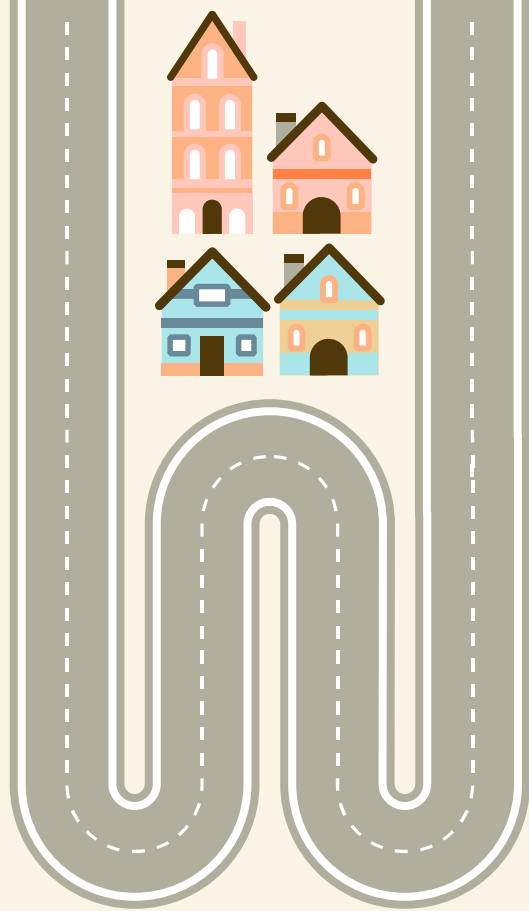
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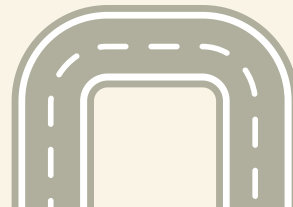
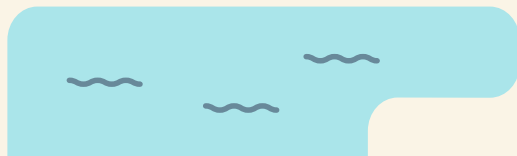




01

Background

What is zoning, and why does it matter?

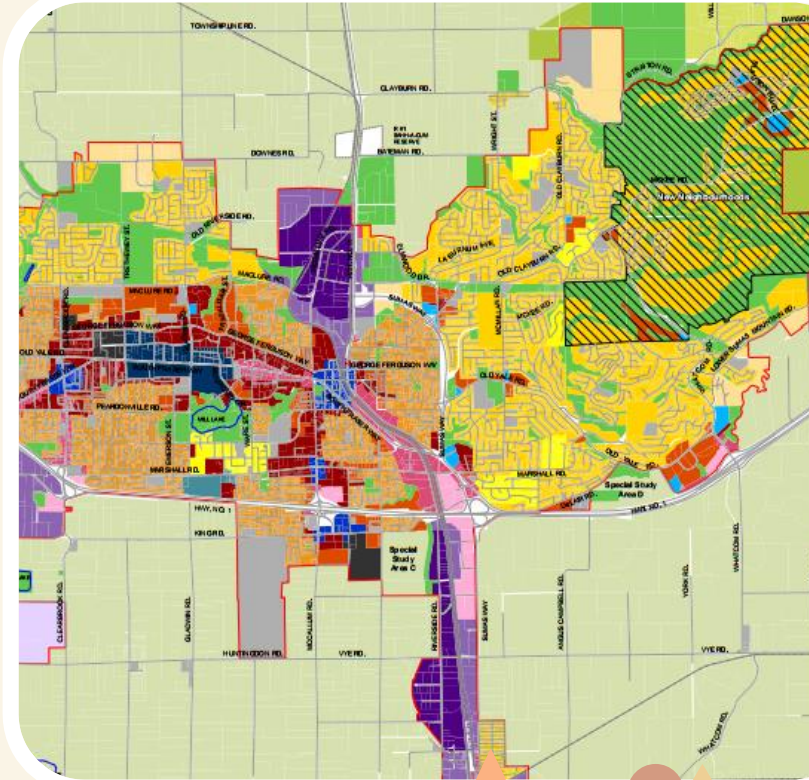


What is zoning?

Zoning regulates what can be built where.

- What types of uses
- How tall the buildings
- Size of setbacks and lawns

Zoning plans typically cover an entire city, and almost every municipality has one.



What does zoning do?



Benefits

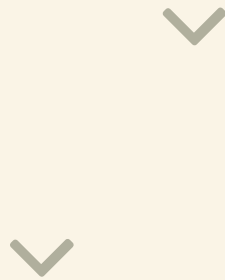
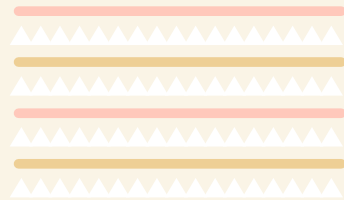
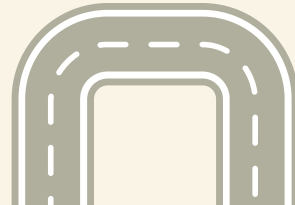
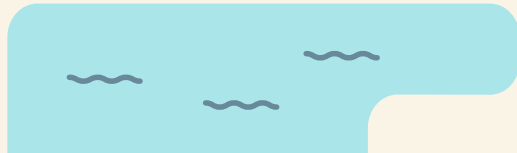
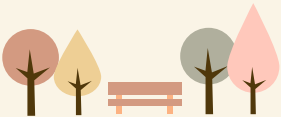
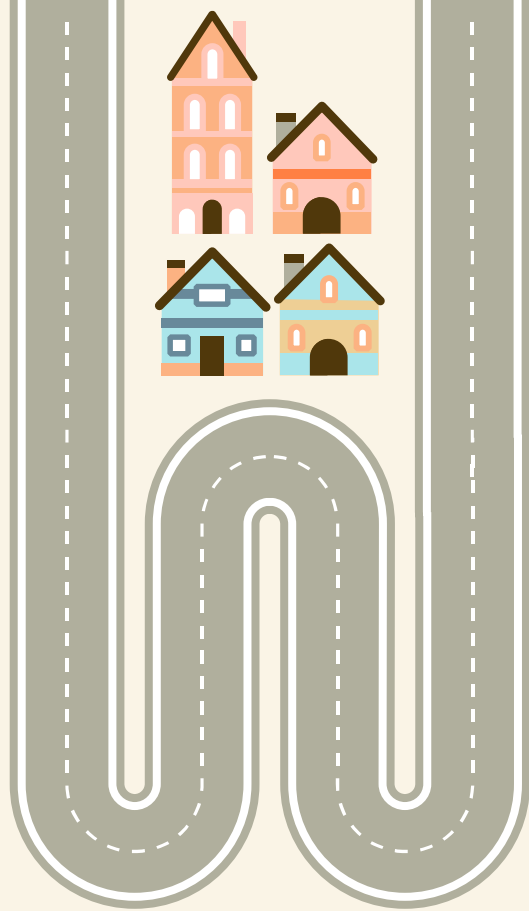
- Limits externality effects of uncontrolled development
- Preserves “neighbourhood character”



Drawbacks

- Segregates neighbourhoods by income level
- Constrains the supply of housing, increasing prices





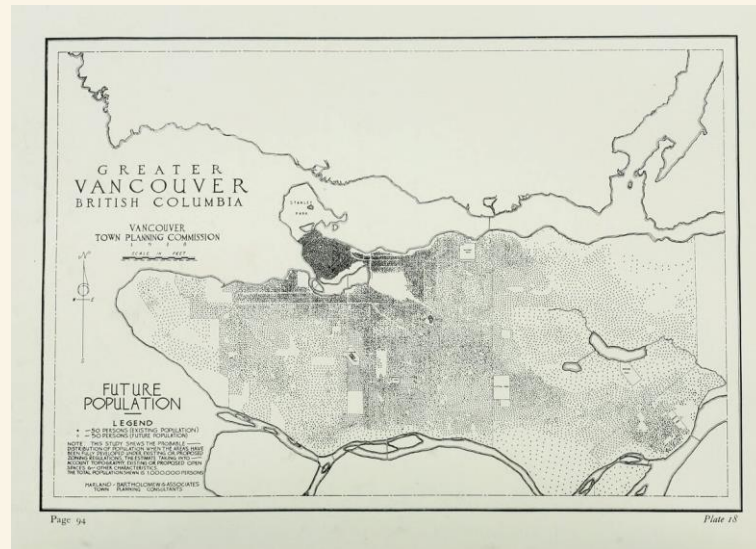
02

Local Context

How does zoning play out in Vancouver?

The Bartholomew Plan (1928)

“The retention of Vancouver as a city of single family homes has always been close to the heart of those engaged in the preparation of this plan.” (A Plan for the City of Vancouver, p. 26)



City of Vancouver Archives



A map of Vancouver, British Columbia, showing various zoning classifications. The map is color-coded according to the legend: Single Detached Residential (yellow), All Other Residential (orange), Commercial (red), Industrial (light blue), Office (dark blue), Civic and Institutional (purple), Parks and Wetlands (green), Agriculture (light green), Transportation and Utilities (grey), and Other (dark grey). A large, white, stylized '80%' is overlaid on the map, indicating that 80% of the area is zoned for residential use. The map also shows major roads, water bodies, and parks. Two white clouds are visible in the top left corner.

Zoning Classification

- Single Detached Residential
- All Other Residential
- Commercial
- Industrial
- Office
- Civic and Institutional
- Parks and Wetlands
- Agriculture
- Transportation and Utilities
- Other

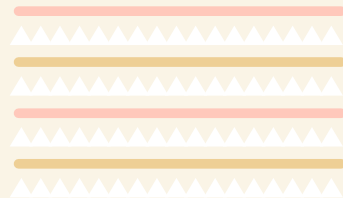
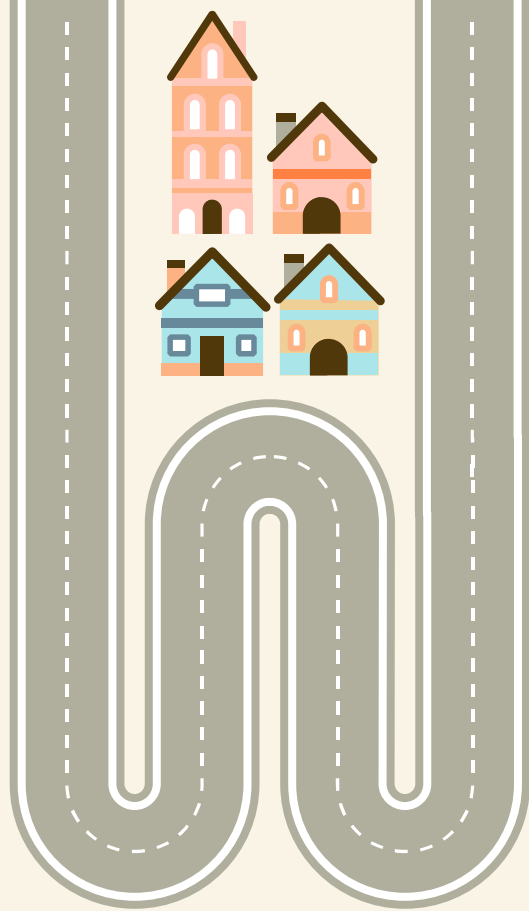
80%

Zoning Classification



87%

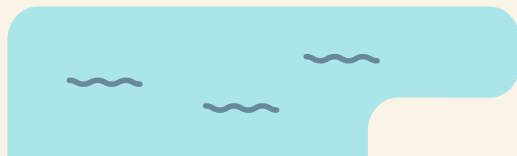
CANADA
UNITED STATES



03

Methods

How did I quantify zoning?



The “Zoning Effect”

Total sale price

of a detached home or
apartment



Zoning effect

Additional amount paid due
to cap on dwellings

Physical land

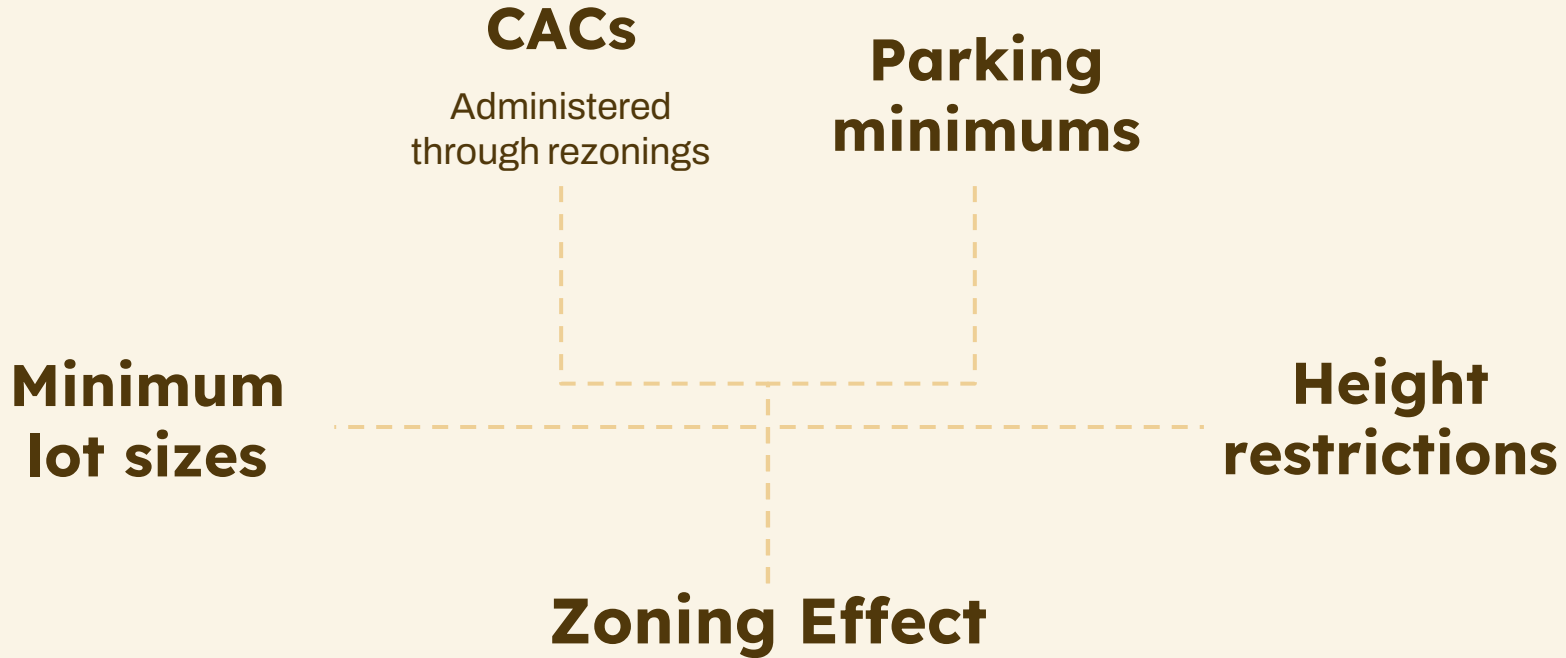
Marginal value of land
multiplied by lot size

Structures

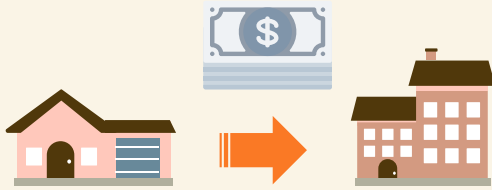




Zoning effect isn't just zoning



Zoning effect is not land lift



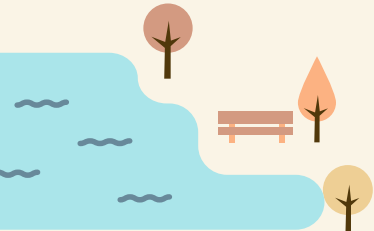
Land lift

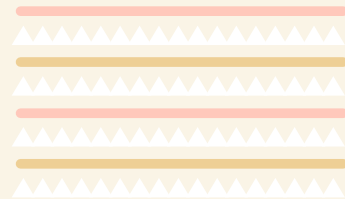
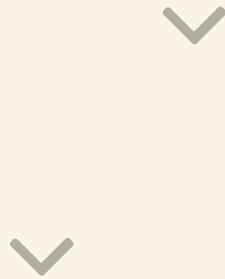
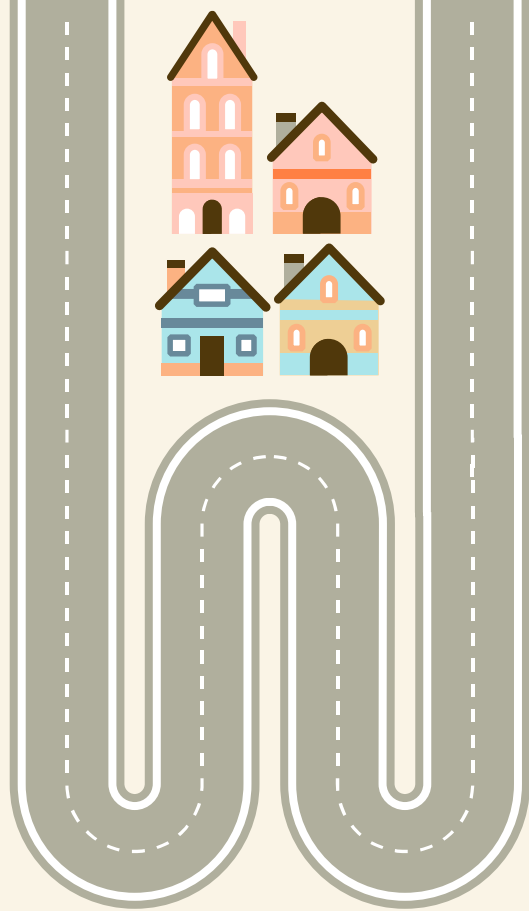
Zoning restrictions are relaxed on one lot.
Owner profits.



Zoning effect

The aggregate cost of zoning as a blanket supply restriction.



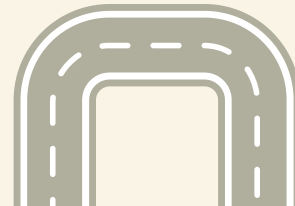
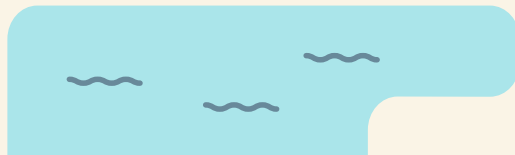


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Results



What is the magnitude of the zoning effect?



West Vancouver/
Howe Sound:
\$2,363,000

North
Vancouver:
\$1,575,000

\$1,238,000

idge/
dows:
000

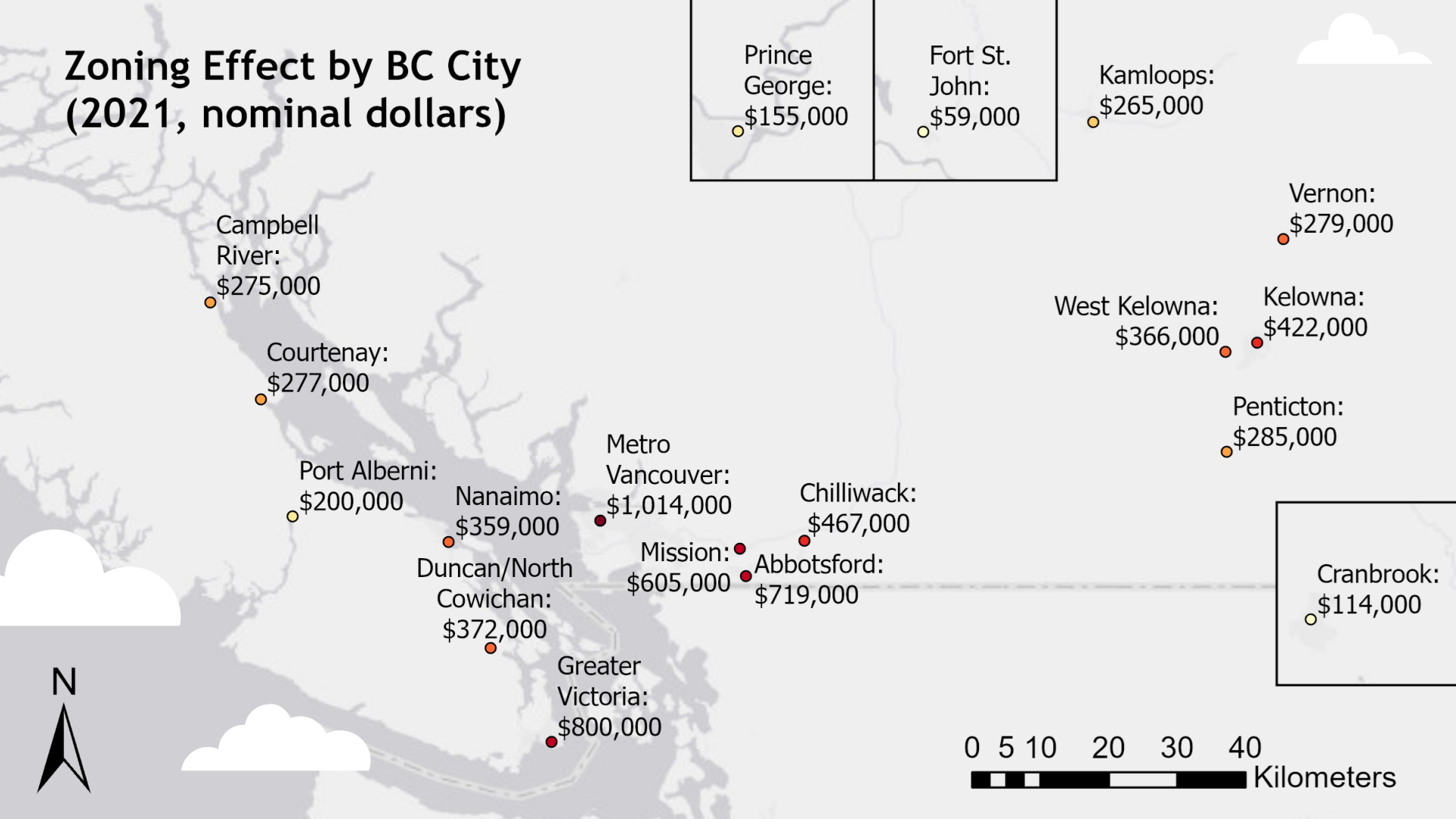
Delta/Tsawwassen:
\$1,160,000

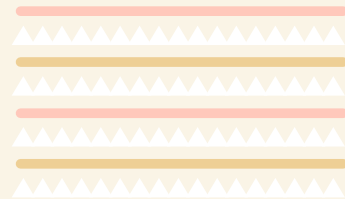
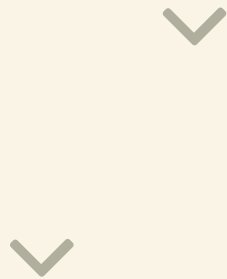
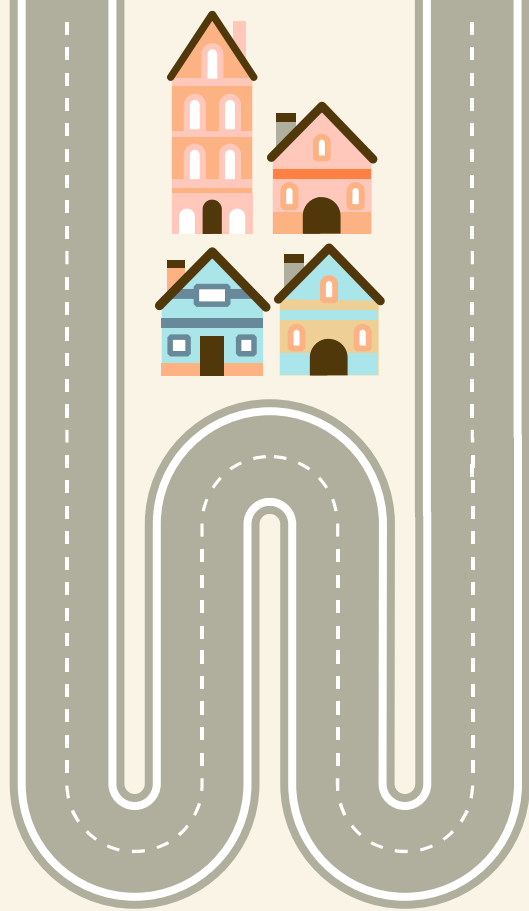
White Rock:
\$1,180,000

Langley:
\$880,000

CANADA
UNITED STATES

Zoning Effect by BC City (2021, nominal dollars)

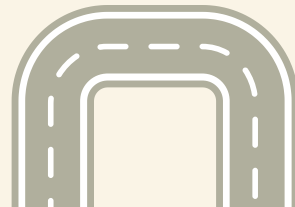
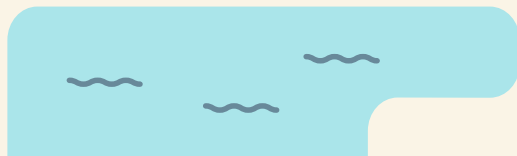




05

Conclusions

What should we do about it?



Recent legislation

British Columbia

New legislation aims to create more small-scale and multi-unit housing in B.C.

Municipalities will be forced to allow more townhomes, multiplexes and laneway homes



Karin Larsen · CBC News · Posted: Nov 01, 2023 3:06 PM PDT | Last Updated: November 1



BC government overhauls fees paid by developers to all cities, including CACs



Kenneth Chan | Nov 7 2023, 4:31 pm



Construction progress on The Butterfly tower in downtown Vancouver, as of July 3, 2023. (Kenneth Chan/Daily Hive)

Lessons

01

Zoning controls the form and appearance of development.

02

Zoning was developed as a tool of exclusion, and most forms of it are inconsistent with modern values and priorities.

03

Zoning exorbitantly inflates housing prices in British Columbia, particularly in Metro Vancouver.

04

Zoning reforms are underway, but undoing all its harms will take time.



Thanks!

Do you have any questions?

Ask them here or contact me at
nzemp@sfu.ca

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