



Urban Development Institute—Victoria Winter Quarterly Newsletter January 2007

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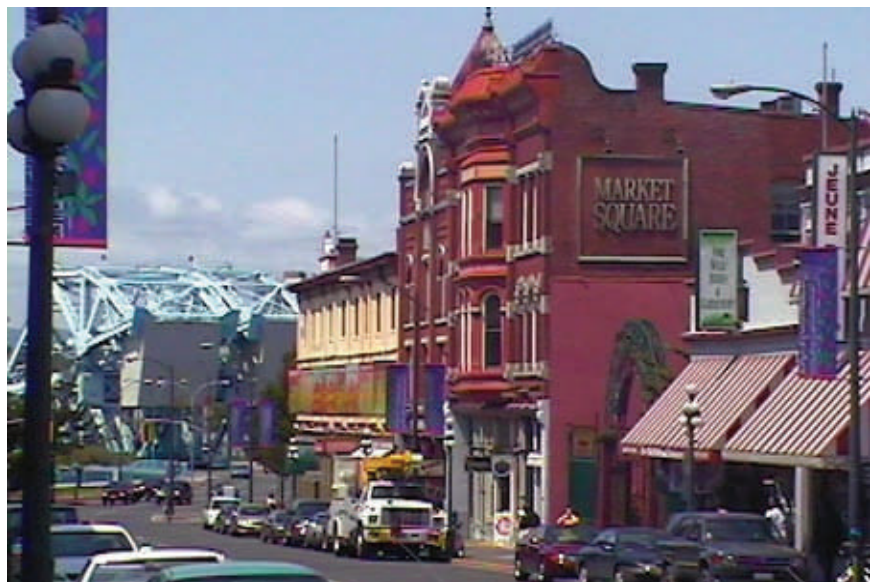
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Presidents Message—Glen Wilson

Happy New Year! Our industry enjoyed a strong 2006 and we look forward to this year’s challenges. Most residential developers are experiencing a drop in sales activity but all indications are that sales will begin to heat up in the spring and summer of 2007.

The homeless issue is front and centre in all sectors of the community. UDI Victoria recently organized a three part forum with some of the community’s top thinkers on the issue. I would like to thank those who took the time to participate. We believe this kind of community conversation will lead to action in the very near future. A report about our meetings is being prepared for dissemination in the next few days. Stay tuned.

The UDI Victoria executive has been busy on many fronts including talking to the city about Victoria’s planned modern heritage registry, DCC’s, the building permit process, sustainable building, helping choose the new city administrator, housing affordability, and the development process, just to name a few of our many activities. Thank you for your support and membership. With them, UDI Victoria can continue to advocate on your behalf in matters affecting our industry and community throughout the south island area. As always, if you’re interested in getting involved, give us a call.



www.johann-sandra.com

Markets and Pricing

Most of the recent development action, predictably, is centered in and around downtown Victoria and the Colwood/Langford axis, also with a steady continued activity in Saanich. A spurt of new and proposed condominium entries downtown and in Vic West/Songhees, and the continuing prowl for available high-density development sites looks likely to keep the downtown market active through 2007 and beyond; and subdivision activity in Langford and Colwood will do the same in the burgeoning Western Communities. A significant mid-rise multi-family entry with commanding ocean views in the vicinity of Royal Roads University points to a noteworthy trend in the Western Communities: a developer appetite for high-rise projects matched by municipal willingness to approve them. Numerous high-rise projects, in some cases exceeding even the most ambitious proposals in the City of Victoria's central area, have been approved or are under consideration. How many of these make it from the drawing board to their sites remains to be seen, but it's clear that downtown no longer has an exclusive regional franchise on tall buildings.

Markets appear to have cycled back toward 'normalcy'—which is to say that the frenzy of speculative investor purchases of condominiums and the bidding wars on single-family resale homes appears to have abated. Prices, though, have

continued to inch up in all housing categories, pushed by still-escalating construction costs; though the rate of quarterly house price increases appears to be easing.

News of the first signs of a turnaround in the U.S. housing market tends to reinforce the view that Canada generally and hot housing markets in particular like Calgary, Vancouver and Victoria are not likely to follow the implosion that U.S. markets have experienced in the last year or two. There was concern that the U.S. collapse would be followed by a Canadian 'echo' a year or so later.

CMHC in its most recent market studies, reports that starts in all categories are up over the same period in late 2005. And indications from all sources suggest that 2007 will be another very strong year for new sales. Landcor Data Corporation, in its earlier projections for 2006, refers to the continuing market strength into 2007 as part of the "longest sustained real estate boom in the history of British Columbia." A year ago, many local players in the development industry feared the bubble was ready to burst. But as Helmut Pas-trick, Chief Economist for BC Central Credit Union, and Lee King, CMHC's BC Corporate Representative, both said at UDI Victoria luncheons, if you take a good, hard, analytical look at all the indicators, including consumer confidence, things look to remain steady, possibly as far out as a two-year horizon.

DCCs in Victoria

While there are still some formal approvals required, the City of Victoria will make its new Development Cost Charges official in the new year. Final determination of the date at which the charges will kick in, and the terms and conditions under which a completed application will be exempt, are still to be determined. Our best advice is that you contact the city's Planning Services Division or Rob Woodland, City Administrator, for details.

The introduction of DCC's has not been without controversy, with some people pointing out that the new fees represent an increase of 800 percent. Such an argument fails to note that the city had virtually no fees or charges before, apart from modest application fees and an ambiguous bonus density formula.

Also, some industry organizations have opposed the new levy and expressed the view that the introduction of DCC's further erodes housing affordability. They are correct, and it's a matter of fact that any cost increases run counter to affordability. But UDI worked closely with the city as it developed the case for DCC's, and was satisfied that the new fees were modest, and that they would be applied in part directly to the provision of amenities and upgraded infrastructure in the very areas of the city where most development is taking place.

OUR Homeless

In a remarkable coincidence, the Tuesday, December 19th 2006 Times Colonist contained not one, not two, but three pieces on the subject of homelessness: a front-end article about business leaders in Calgary and that city's efforts to design a homelessness response modeled on a successful U.S. civic initiative; an editorial page profile of Premier Campbell's thoughts on the subject, in which he accurately describes de-institutionalization as a "failed experiment" and notes, "if we constantly have this same problem, shouldn't we try to do something different?"; and a Capital Section news story about Saanich Council's efforts to grapple with the homelessness question, in which Councillor Bob Gillespie observes, "no more talking. Let's move this into action."

In the weeks preceding this newspaper coverage, UDI Victoria had organized a team of fifteen or so community leaders and representatives to try to come up with new and imaginative ideas about, and responses to, homelessness in the Capital Region. Around the table at three 3-hour meetings (the equivalent of a long work day) were development industry representatives, housing agency representatives, thoughtful generalists from the community, architects, builders, socially responsible lenders, and others. Certainly, it was not possible to assemble people more

knowledgeable on the subject, or more desirous of crafting new ideas and responses.

If you had been a fly on the wall, you would have heard introductory instructions to this group first to innovate—to come up with new ideas, strategies, arrangements, approaches that would add to the community's knowledge and competence—somewhat in the spirit of the premier's point about trying to do something different; and second, to 'solve the smallest problem'—that is, to conceive shelter and housing responses that address the smallest core set of concerns: a roof over one's head, and the delivery of essential supports to ensure effective housing and social management. Then, you would have heard this group desperately working for nine hours to come up with 'thoughts about the box outside the box.'

It is very difficult to accurately report on the real texture of nine hours of intense discussion by fifteen or so articulate and opinionated people, and very easy to misrepresent the group by generalizing; but, some observations can be made.

There was extensive acknowledgement that the issue is complex, difficult to grapple with, hard to solve. Views ranged from: put more pressure on the provincial and the federal government

to deploy a greater share of tax revenue toward homeless housing, to: let's design a new hybrid response that brings the private sector (builders, investors, lenders) and the service providers together in some entirely new collaboration.

The level of discussion was as good as it gets, but it was interesting to note that 'ownership' itself is a difficult problem. By this, we mean that all of us are so used to a relatively passive role on the subject—are so used to 'letting government do it' (while, of course, reserving the right to comment on and criticize the inadequacies of government responses and the deficiencies of government programs)—that it is very hard to take on the homeless housing issue as if it were a personal, community responsibility. It's hard to find new language, new ideas, simply because the old images of dealing with homelessness are so powerful and intractable.

Still, the important point was made that Greater Victoria civil society does not take a 'let government do it' approach to everything. It's not as if Victorians are simply passive by nature, or bystanders in all matters. In the area of the protection, preservation and regeneration of green space and natural areas, Victorians are remarkably proactive and operate through a widespread and sophisticated non-

OUR Homeless con't

governmental network. People in our region are strongly proprietary about green spaces: it's never "the parks and natural areas," but always "our parks and natural areas."

It was a big breakthrough, then, when early on the group managed to move from discussing "the homeless" or "homelessness" to "our homeless." This may seem like mere wordplay but it was both a semantic and a powerful perceptual shift.

UDI Victoria will prepare and circulate to all of you who receive this newsletter, to housing and other relevant stakeholders, and to the media a fuller report of the conversation and ideas of this group. For the sake of brevity here, we note that there were several identifiable streams or pools of thought, and several differing (and sometimes contradictory) positions. These included:

an assertion that professional and business organizations (like UDI) must exert much more lobbying influence on politicians simply to make homeless housing and related housing concerns a much higher spending priority. The speaker who expressed this view believes there is plenty of financial capacity to build more housing and provide services, and that government needs to be more aggressively urged to spend the money needed;

a belief that many important 'players' were missing from our conversation and that, given the enormous complexity of homeless housing and social and health management, our group's authority itself was suspect;

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the view (contradictory to the one above) that part of the problem lay with the very fact that the community had conveniently turned over all responsibility for homeless housing and service provision to government, and now found itself powerless to frame and activate a community-level response;

a significant level of frustration with talk, coupled to the desire to do something right now: find a piece of available land, find some funding, build some housing;

imaginative thinking around the creation of an ethical housing investment fund that could provide a modest return to investors;

some exploratory thinking about new-style rooming houses built by the private market, socially managed by existing service providers,

and effectively guaranteed by the government through the existing shelter allowance;

a lot of exploration, building on the point above, about entirely new partnership models engaging the best features of the private market, government and service providers in a range of new housing collaborations; numerous efforts to re-frame the entire issue of homelessness in ways that might produce more of a sense of community 'ownership' and release all kinds of constructive community energies.

In summary, nine hours of talk left no doubt that there is enormous frustration with the continuing homeless dilemma, and heartfelt moral embarrassment about it. While it was not the purpose of this group to 'solve' the problem by the finish of its conversation, it is clear that we were just getting started and that either the entire group or smaller knots of participants will continue to work at responses. There wasn't a person in the room who doesn't want to be part of the solution, or who thinks the current arrangements are working well.

At UDI VICTORIA'S 2006
Christmas party
\$2,800 was donated to
OUR PLACE
Homeless Shelter.
Special thanks to
VanCity for their generous
\$1,000 donation.

Green Agenda

UDI Victoria is committed to making progress this Spring on the creation of a 'sustainability audit'—a multi-phase program that will enable its members to integrate sustainable development features in future projects. As we see it, this begins with industry education and professional development and concludes, hopefully, with enthusiastic, voluntary participation.

What we are hoping to design, in collaboration with local government and technical and community participants, is an incremental program that brings the industry along and avoids the confusion and resistance that often accompanies these programs. Most of the time such programs are introduced with little or no education, or the education programming fails to take account of the real level of organizational change needed to create enthusiastic buy-in from the very people whose practices and operations are most impacted.

There is still a widespread industry belief that 'green costs more,' and little evidence from the field that dispels this belief. The industry knows things are rapidly changing, but we want to acknowledge the challenges to industry buy-in, rather than pretend they don't exist.

UDI Victoria is currently working with Saanich and

Join Us at Our January 17th Luncheon

Eco-Density: Vancouver's Plan for Urban Sustainable Development Lessons for Victoria?

Sponsored by



That will be the question on most people's minds as they listen to Suzanne Anton, Vancouver City Councillor, who is closely associated with, and a strong advocate of, Vancouver Mayor Sam Sullivan's Eco-Density Strategy.

Sullivan has been evolving his eco-density concept for a few years, and he announced it with great fanfare at the 4th U.N World Urban Forum last June. Noting that if everyone on the planet lived as Vancouverites do—consuming current levels of resources and energy—it would take four Earths to support humanity. Sullivan has repeatedly pledged that under his leadership, Vancouver will reduce its consumption to supportable, sustainable levels. Eco-density is the cornerstone of his strategy, and he contends that new density policies for the City of Vancouver will not only pay off environmentally, but provide significant affordability dividends as well. Councillor Anton will lay out the basic concepts of this ambitious program and will help us to understand the affordability equation, and the ways in which the program will translate into policy.

This is definitely a lunch not to miss—for area politicians, planners, the development industry, sustainability advocates, and urbanists of all types and stripes.

**Wednesday, January 17th, 2007
NOON, Embassy Inn, 520 Menzies Street, Victoria**

**For reservations please send your name, company,
and contact information to udivictoria@shaw.ca.**

Victoria, both of which are eager to get green building programs up and running in their municipalities. As well, we anticipate hearing from our parent organization, UDI Pacific, which has been exploring a sustainability program developed by its sister organization in Australia.

Also, we will see what emerges from the 2nd Gaining Ground Sustainable Urban Development Conference

in Victoria this coming June. We understand that the conference will unveil some significant new ideas about valuation and will put emphasis on new approaches to policy and practice, and specifically on education and professional development.

**Welcome to new
UDI Victoria member
Coast Capital Savings
Credit Union**

Membership

We are pleased to announce that UDI Victoria membership is again on the rise—a testimony to the value of the organization and its strong history of providing member services. The highly popular luncheon series; its engagement with the Housing Affordability Partnership; its continuing record of involvement with municipalities throughout the Capital Region; the Homeless Innovation Task Force sessions in December; its initiative in designing a sustainability audit, planned for early '07; its continuing advocacy for industry interests; its engagement with media; its success in community outreach under the rubric: "Development is everybody's interest"—all of these have made UDI Victoria an important advocate for members and an influential voice in the community-wide dialogue about land use and quality of life.

Interested in membership? Please contact Marie Savage, our Administrative Coordinator. You can email her at udivictoria@shaw.ca.

**Coming this year!
Access to the PowerPoint presentations
speakers use at our monthly luncheons.
Available only to members.**

Do Your Friends a Favour...

...Slip us their names! Did you know that well over 500 people receive the electronic UDI Newsletter and notice of our upcoming luncheons? That includes UDI Victoria members, non-member representatives from a wide range of related fields, and the interested public.

Don't hesitate to give us names and email addresses of others who you think would also be interested in our very popular luncheon series and in the contents of this newsletter. As you know from experience, our listserv receives this newsletter, notices of luncheons, and occasional information about community initiatives that bear generally on land use and planning subjects—and is never subjected to other unsolicited or inappropriate third-party materials.

The UDI Victoria Newsletter provides a quarterly review of events and news affecting our members. Our thanks to our contributors and supporters for story leads, photographs and articles.

If you would like to provide information for our next quarterly issue contact Gene Miller at 384-3590 or gene@newlandmarks.com.

Save These Dates

If your good intentions for the New Year include planning ahead, you may wish to make note in your calendar of these UDI Victoria luncheon dates. Topics and speaker information will be provided well in advance of luncheon dates.

Winter/Spring luncheon dates are all mid-month Wednesdays at noon, and the venue is the Embassy Inn, 520 Menzies Street. Dates for the first half of 2007, up to our summer break, are:

January 17
February 21
March 21
April 18
May 16
June 20

Sponsorship

**Thank you to the our
December 2006 Sponsor**



COOPER PACIFIC
MORTGAGE INVESTMENT CORPORATION

We are grateful to Cooper Pacific Mortgage Investment Corporation for its sponsorship of the December, 2006 luncheon, and would be pleased to hear from you if your company would like to be a luncheon sponsor. Please contact: Marie Savage, Administrative Coordinator, at udivictoria@shaw.ca or 383-1072 for more information about sponsorship.