

FINDING THE ‘MISSING MIDDLE’

Planners say Metro Vancouver is lacking ‘gentle density’ options between highrise and single-family homes, writes Kelly Sinoski

If you don’t provide the options, what you have is people staying in their homes, and neighbourhoods seeing a depopulating of kids.

If Brian Erichsen were to plunk his money in Metro Vancouver’s blistering housing market, he could probably afford a one-bedroom apartment. But with plans to start a family — and live close to an urban centre — that won’t cut it. So he and his wife are planning to move to Denver, instead.



GERRY KAHRMANN Brian Erichsen, seen in his rented Kitsilano apartment, is moving with his wife to Denver, where they can buy a small bungalow for the price of a one-bedroom condo in Vancouver.

“Anything that’s going to give us a reasonable amount of space that we’re looking for is going to be an hour commute,” said Erichsen, 38, who has been renting a one-bedroom condo in Vancouver’s upscale Kitsilano

neighbourhood. “Part of the beauty of being in Vancouver is being near the city. We could try to come up with a down payment to get into the market, but it’s an all-or-nothing investment.”

Finding an affordable detached home in Metro Vancouver is becoming increasingly tough, with prices in many parts of the region well above \$1 million. The affordability index defines “affordable” as the percentage of households living in a region with the income required to qualify for the mortgage needed to own the property. Typically, a bank wants no more than 32 per cent of income going to housing if it is to provide a mortgage.

The options? Move into the suburbs, buy a unit in a condo tower, or compete for the increasingly tight supply of ground-oriented housing units, such as townhouses, duplexes and row houses scattered across the region. The latter, touted as better options for young families or empty nesters because they’re usually bigger and have their own entrance and garden, are described by some as “the missing middle” of Metro Vancouver’s housing stock because the demand is fast outstripping the supply.

“There’s a dearth of townhouses out there,” said Ryan Berlin, director of the Urban Land Institute. “We’re seeing land changes, but it’s happening really slowly. If we had the space, the prices wouldn’t be where they are today.”

The looming problem was already evident in the early 1990s when the Urban Land Institute, a think-tank that does research on population, community change and land-use in B.C., released a study that warned Metro Vancouver that it would face a housing shortage by 2021 unless it built 21,000 units annually — with 13,400 of those being ground-oriented and 7,700 of them apartments.

The study, by now-retired demographer David Baxter, challenged the then-widely held belief that baby boomers would give up single-family homes for apartments when they retired, thus freeing up the detached housing market for young families. His report, *Homes in Metropolitan Vancouver’s Future*, projected the average demand for ground-oriented units would be twice that of apartment units each year to 2021, with the key reason being the lifestyle choices of postwar boomers.

Housing experts say Baxter was largely right, with the population ages 45 to 74 now considered the group most likely to maintain a detached home. But even if they do decide to downsize, Berlin said, ground-oriented units aren’t being built at the same pace as apartment condos — or in the specific neighbourhoods where seniors might want them, such as Dunbar and Shaughnessy in Vancouver, and in West Vancouver.

The region has added on average roughly 16,000 housing units a year since 2006. But ground-oriented and apartment-style units have been built in about equal numbers. And recently, while six new row houses might go up in Vancouver, or 10- to 15-unit developments on the North Shore, there are no limits on apartment/condo towers, which are sprouting like weeds across the region.

“People are generally quite healthy and mobile and able-bodied until early into their mid-70s,” Berlin said. “It will be interesting to see what happens with our seniors if they look to cash out a little bit and move to something groundoriented. There could be upward demand on that segment.”

Regional officials maintain they have had no choice but to build up as the land base around Metro Vancouver is considerably strained — hemmed in by mountains and ocean and fringed by protected agricultural land — and they must find some way to accommodate another million people here by 2040.

But Brent Toderian, a former City of Vancouver planning chief and now head of Urban Works, said the region has become a “two-trick pony,” focusing on skyscrapers and protecting single-detached neighbourhoods without considering those in the middle who want a bit more space but don’t have the bankroll to fund a detached home. Towers are beneficial around SkyTrain stations, he said, but there needs to be a scaling down of “gentle density” along the rest of the route, such as duplexes, row houses or stacked townhouses. His belief falls

in line with Baxter's report, which had suggested it was critical the region's municipalities use scarce land resources more efficiently to build better communities.

"If you think about the urban pattern of the entire region, it's a mistake to think high-rises, or even mid-rises, are going to be the default system. It's not a one-size-fits-all," he said.

"I believe there has been, for some time, a significant underrepresentation of gentle density, an untapped demand. If you don't provide the options, what you have is people staying in their homes, and neighbourhoods seeing a depopulating of kids. We're seeing schools close because of that. We're actually trying to solve lots of different challenges in our city."

The situation puts pressure on people like Erichsen, who wants a detached home but can only afford a one-bedroom apartment. Although he and his wife, who is American, had been talking about moving to Denver for a while, the hot housing market clinched their decision. Erichsen figures they could buy a 2,000-sq.-ft bungalow in Denver, for example, for the same price as a studio apartment in New Westminster, and yet be within walking distance of Denver's burgeoning urban city centre.

"I'm somewhat torn, especially when you get to this time of year and the sun is shining. Kits is one of the most beautiful neighbourhoods I've ever been in," Erichsen said, but added: "The factors that are out there right now are driving us to give it a shot."

Toderian said municipal officials have constrained the market with rules and regulations that prohibit development of, for example, laneway housing or freehold townhouses, in favour of stratified ones, lessening the supply of detached homes in the middle market.

Port Coquitlam Mayor Greg Moore, chair of Metro Vancouver, said municipalities are taking steps to provide more infill and gentle density. His city, for instance, altered its official community plan, which guides growth, to allow for lot widths of 33 feet, rather than the previous 44 feet and is now working on providing more infill housing that could include row and townhouses. He agreed that while baby boomers are staying longer in their detached homes, times are also changing for millennials, who for the most part, don't appear to be dreaming of a house with a white picket fence. He predicts this will likely lead to larger apartment towers with more multiple bedroom units to appeal not only to young families but to empty nesters.

"It's just an evolution of an urban area. When Vancouver is ranked second or third or fifth, over time we know we're compared to San Francisco and other great cities around the world," Moore said. "They're so much ahead on the densification side. It's just a mindset."

Erichsen, who had once owned a \$600,000 house in Coquitlam but had to sell it during a marital breakup, said he and his wife may one day come back to Vancouver, but worries they won't ever be able to get back into the market.

"The mistake was not to jump back into the market at the time. When people get over the age of 30 you want to get out of the rental market," he said. "In a dream world, if I won the lottery, then maybe I could live here."