

# Barbara Yaffe: Absence of data on Vancouver real estate market ‘mind boggling’

BY BARBARA YAFFE, VANCOUVER SUN COLUMNIST   APRIL 12, 2014



Absentee property owners can threaten the character of neighbourhoods such as Vancouver's west side.

**Photograph by:** Handout, Vancouver Sun

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Charles Hou is a retired social studies teacher who has lived in Dunbar for 48 years. He has a bone to pick.

“On my block, there are three empty million-dollar houses,” writes Hou, whose home is on West 39th Ave. “The house behind mine sits empty for 90 per cent of the year.

“This is having a devastating effect on my neighbourhood. People no longer are doing upgrades on their houses because they know they will be torn down if sold.

“Merchants and schools are suffering because people don’t live in the houses. Property values are skyrocketing. It is a disaster for people who want to live in Vancouver.”

Hou believes “politicians aren’t paying any attention to this issue. Money is being made at the expense of the vast majority of people who live in the Lower Mainland.”

I’ve quoted Hou at length because his letter — one of many I received in response to my recent column about the loss of character homes on the city’s west side — reflects sentiments expressed by others frustrated by and worried about this city’s real estate market.

They are worried not just about foreign buyers but also about prices forcing so many to become “house-rich and cash-poor.”

If, as Hou asserts, politicians aren't paying attention — and he's correct; they aren't — it could be because there is not enough definitive data about the housing market at hand, both here and across Canada.

Are Vancouverites dangerously over-extending themselves, with colossal mortgages and modest downpayments? Is there a housing bubble? How big a market share do foreigners reflect? How many Vancouver homes sit empty?

Benjamin Tal, the Toronto-based senior economist at the Canadian Imperial Bank of Commerce, did everyone a favour last week by highlighting the absence of such clear data in a report he wrote, entitled Flying Blind.

"The gap between the importance of the real estate market to the economy," Tal wrote, "and the lack of publicly available information on it is mind boggling."

For years, Vancouverites have been asking about foreign buyers, concerned they are driving prices higher and, when leaving residences unoccupied, harming neighbourhoods.

There is also concern about the pace of demolition of character homes on the west side, by foreigners, local buyers and developers alike.

Readers have alerted me to cities that appear more proactive in defining the extent of such issues, as Tal is advocating, and taking remedial measures.

The Guardian reported recently that in London, Islington council is targeting what it calls the "buy to leave" property investors who leave properties vacant.

After scrutinizing electoral roll data for a sample group of residential buildings and finding no registered voters listed for one-third of the units, the council is considering levying a charge of about \$100,000 Cdn for each empty property. Owners would need to show evidence such as utility bills to prove occupancy.

In his March budget, Britain's Chancellor of the Exchequer announced a 15-per-cent "stamp duty" on corporate buyers of property valued at more than \$800,000, if they are left vacant.

In San Francisco, the city's planning department says on its website that its historic preservation program works to preserve older architecture: "Historic preservation is a strategy for conserving significant elements of the built environment to maintain a tangible physical connection to the past.

"Maintaining and rehabilitating older buildings and neighbourhoods can mean savings in energy, time, money and materials."

The website notes that owners of historically valuable property "may be eligible for property tax relief and other incentives."

Closer to home, politicians should take note.

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