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THE TALE OF THREE PROPERTIES



Despite having their development applications approved, work on three major properties on Victoria Drive at (from left to right) 49th, 40th and 38th has yet to begin.

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The northwest corner of 49th and Victoria Dr., referred to as 1969 East 49th Avenue was issued a development permit by the City on Nov. 19, 2021. It was followed a month later by an application for the construction of a new building including four retail and restaurant units on the ground level, and 26 residential units within the upper levels.

The existing structures were demolished the following spring, but then the developer withdrew the building application, and the site has remained a community garden.

The former Vancouver City Savings building on the northeast corner of 40th and Victoria Dr., had its development permit approved by Council on Dec 9, 2021. Fifty-four secured rental units, with 30% of the units occupied by households with incomes below housing income limits, were proposed and approved. The site would also offer two commercial spaces at grade, office and retail.

The building was subsequently demolished, and it as well has become a community garden.

Adjacent to it, at 5504 Victoria Dr., 71 Secured Market Rental Units with 20% of the residential floor area assigned to below-market rental units, were approved for development March 17, 2025. This recently approved plan will also have retail on the ground floor. Currently, the site has three unoccupied, family houses on it.

The REVUE reached out to the developers of all three properties to find out what was impeding progress.

The only one that responded was Nicolaou Properties Ltd. Inc., the developers for the old Vancity site at 40th and Victoria Dr.

According to Samuel Hoare-Ramsay, Property Manager for the company, the project is going ahead and “we will dig the ground in August or September.”

Searches of the 49th &Victoria Dr. development show the project referred to as 1969 East 49th Avenue Ltd Partnership and V on 49th was preselling with suites ranging from $628,800 to $1,218,800. However, a call to the contact number of Mike Stewart Personal Real Estate Corporation received a response of “Sorry, we don't know anything about this.”

No response was received from JTA Development Consultants, listed as the development applicant 5504 Victoria Dr.

Conversely, construction is well underway on The Vancouver Alpen Club redevelopment project, located at 4875 Victoria Dr. at 33rd, despite receiving approval of it’s development permit on July 24, 2023. This development features a six-storey, mixed-use building featuring rental residential units and commercial space, including the Alpen Club and Deutsches Haus restaurant on the ground floor and is twice the size of the Vancity redevelopment and three times larger than 49th & Victoria Dr.

Why are the developments stalled?

Metro Vancouver is facing significant capital expenses for infrastructure upgrades related to water, liquid waste, and parks, with a large portion attributed to accommodating new growth.

The concept of "growth paying for growth" is a key principle behind the fee increases, aiming to ensure that new developments contribute to the cost of the infrastructure needed to support them. The increases in development cost charges (DCCs) are intended to reduce the reliance on property taxes and utility fees to fund these infrastructure upgrades, placing a greater share of the cost on new development.

The fee increases are being implemented in phases, starting in 2025, with further increases planned for 2026 and 2027.

These fee increase are significant. For example, the regional liquid waste DCC rates are projected to increase significantly, with the assist factor (the percentage of capital costs funded by the DCC) increasing from 17.5% to 99% by 2027.

While the increased fees are intended to fund infrastructure, they can also contribute to higher housing costs for homebuyers and renters as developers pass on these costs.

To offset these increases and the potential impact on housing affordability and the feasibility of development projects, the B.C. government is slashing development charges for many projects already in the pipeline.

For residential projects in Metro Vancouver initiated before March 2024, fees to pay for growth-related infrastructure, such as water, wastewater and parks, will be reduced.

Developers of these “in-stream” projects will be able to pay development cost charges under the old fee structure, instead of the new one that more than tripled this year.

The funding shortfall for Metro Vancouver from the reduced development charges will be backstopped by $250 million from the federal government.

Will reduced DCCs kickstart these projects?

Will this new policy provide the incentive to turn community gardens in housing?

Maybe, or is something else at play that has nothing to do with development cost charges.

According to Erick Villagomez, “In Vancouver today, rezoning doesn’t necessarily mean building. It means something else: securing entitlements — legal permissions that inflate a property’s value regardless of whether anything is actually constructed.”

Villagommez teaches at UBC’s School of Community and Regional Planning and is the Editor-in-Chief at Spacing Vancouver, a daily blog about urban life that “examines the state of public spaces, mass transit, cycling, city hall, neighbourhood planning, community development, urban design, green spaces, public art and countless other themes …”.

Villagomez explains that entitlements have real monetary value. “When Council approves a rezoning, land value rises—not because of any actual development, but due to the possibility of it. That speculative potential alone can justify massive gains for landowners.”

Are developers planning to reapply for more density?

Could this be why the Victoria Drive properties remain unbuilt—not because of the increased of DDC’s, but because the developers are waiting for more favourable market conditions to either resell and/or apply to rezone the property for greater density – a taller building with more suites.

Vancouver has previously used time limits to encourage developers to proceed. Some rezonings have included a two-year deadline for enactment or lapse of approval. This creates a time-sensitive boundary: if the developer fails to meet it, the approval expires. The cost of reapplying can be significant.

Whether it’s increased development costs or increased profits that’s preventing these projects from getting underway is a matter of speculation.

For now, the community gardens on the sites continue to flourish.

This article quotes extensively from Entitle to Flip by Erick Villagomez which can be read in its entirety at https://spacing.ca/vancouver/2025/06/23/entitled-to-flip/