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Metro Vancouver land sale prices go stratospheric

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— North Vancouver 0.66-acre assembly: \$17.5 million. Western Investor

The value of residential land in the Lower Mainland is increasing much faster than the price of the strata homes the land is being bought for, recent sales suggest.

The final piece of a North Vancouver residential land assembly closed April 30 at \$17.5 million for a 0.66-acre site, which currently contains two detached houses and two duplexes.

This represents a price per-square foot land price of \$600, a projection of \$26.1 million per acre.

The floor-space-ratio (FSR 2.6) allowed on the Moodyville neighbourhood site, equals a price of \$229 per buildable square foot, according to Klein Group of Companies, Vancouver, brokers on the deal.

An investor had bought the property two years ago this month at \$350 per square foot.

The April sale is the last section of the 1.36-acre assembly that sold for a total of \$30.8 million.

The developer, Cascadia Green Development (1190462 B.C. Ltd.), has applied to the City of North Vancouver for a four-storey strata project of 181 residential units, with some retail use at ground level. According to Klein Group, the land value would equate to \$174,400 per strata suite.

This is before construction costs, marketing, finance charges or other soft costs required to bring the homes to the market.

Residential land prices are seeing similarly high values in the City of Vancouver.

This February, before COVID-19 was declared a global pandemic, a quarter-acre residential site in Vancouver's Mount Pleasant neighbourhood sold for \$6.6 million, or the equivalent of more than \$25 million per acre.

The 11,094-square-foot assembly in the 4600 block of Main Street has the potential to be developed into a six-storey residential building covering about 35,000 square foot. In this case, the land costs equate to roughly \$188 per buildable square foot, according to Stanley Chiu, of Gammon International Real Estate Corp. which brokered the sale.

Fraser Valley residential land prices are also creeping up but remain far below Metro Vancouver.

In late February, an investor paid \$4.26 million for a 28,100-square-foot (0.64-acre) site on 53 Avenue, Langley, or a land value of \$150 per square foot. This represents a per-acre price of around \$15 million. The site is zoned at FSR 1.7, with the potential for 51 residential strata units.

Land sales remained strong across the Lower Mainland in the first three months of this year, despite the pandemic. There were 105 land sales in Q1 2020, an 11.7 per cent increase from the 94 land sales in Q1 2019. The dollar value of land sales was \$853 million in Q1 2020, a 15.8 per cent increase from \$737 million in the same time last year, according to transactions registered with the Land Title and Survey Authority of British Columbia.

While land prices for potential condo projects are increasing by an average of nearly 16 per cent, the median price of a Metro Vancouver condominium has fallen 0.4 per cent in the past year to \$633,241, according to a Re/Max Canada price survey released July 9.

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