

Maple Ridge, Pitt Meadows to see rise in land values

Realtor: Lack of easy ways to get to, from work have depressed real estate prices there until now

Derrick Penner

Vancouver Sun

Tuesday, May 30, 2006

So many of the province's proposed Gateway transportation improvements lead to Maple Ridge and Pitt Meadows that land values in the two Vancouver suburbs will jump as much as 20 per cent, the Real Estate Investment Network predicts.

Those two communities won't be alone, said REIN president Don Campbell. North Langley-Abbotsford, Port Moody-Coquitlam, Surrey-Delta, areas of Richmond and Vancouver and even Chilliwack and Mission should also see increases in real estate values from 10 per cent to 20 per cent as new transportation routes are built.

Campbell and co-author Russell Westcott released their assessment in a report titled The Gateway Effect: The impact of transportation improvements on housing values in the Lower Mainland and Fraser Valley.

"[The Gateway improvements] will open up some of the economic arteries of the region," Campbell said in an interview.

Robert Helsley, a professor at the University of B.C.'s Sauder School of Business, said it is a matter of accessibility. Wherever government installs new infrastructure -- whether it is rapid transit tracks or a highway -- it will influence property values and development patterns.

Campbell, however, has tried to quantify the effect of the Lower Mainland's major transportation initiatives on property values from Richmond to the eastern end of the Fraser Valley.

He studied examples around rapid transit systems across North America, as well as several instances of highway improvements in the United States to reach his conclusions.

Campbell said Maple Ridge and Pitt Meadows should see the most dramatic increase in property prices because heavy traffic congestion has depressed real estate values there compared to communities on the south side of the Fraser River.

"People are looking for more affordable regions [to live in]," Campbell said. "The problem with some of these regions, like Fort Langley and Pitt Meadows, is that people just can't get to work."

He added that the convergence of Gateway projects in the Ridge Meadows area should solve that. Gateway's North Fraser perimeter road, including an expanded Pitt River bridge and improved Mary Hill bypass should help ease traffic congestion through Pitt Meadows.

So should the new Golden Ears bridge, Campbell added, which will link Ridge Meadows with Langley, Highway 1 and even Gateway's South Fraser perimeter project.

Campbell added that he doesn't expect the "Gateway premium" to be fully included in property values until after the Gateway projects are complete, but industry participants in the region are already starting to see the effect take hold.

"Some of that impact is probably already being felt," Ron Antalek, a realtor with Re/Max Ridge Meadows Realty in Maple Ridge, said.

While the booming local housing market makes it difficult to measure exactly how much the Gateway initiative has pushed up property values, Antalek said he noticed a distinct increase in interest in the Ridge Meadows area by first-time buyers and commuters once TransLink's \$650-million the Golden Ears bridge was confirmed.

"Maple Ridge is the most affordable community in the GVRD," Antalek said. "That attracts first-time buyers, and [transportation improvements] have been the biggest drawing card for these [people] who can see a future of being able to survive a commute."

However, Dave Keenan, CEO of Genstar Development, has worked on developments in Pitt Meadows and said he believes the premium could already be 15 per cent or higher.

The Gateway project, he added, helps create a whole new "locus of activity," centred on Abbotsford, for regional industry.

"All of a sudden there's this . . . different set of economic opportunities that are emerging in the Valley as opposed to the downtown core of Vancouver, or the Burnaby-Coquitlam sector," Keenan said.

Campbell said he expects North Langley to Abbotsford area to see the next highest increase in values as twinning of the Port Mann bridge, expansion of Highway 1 improves traffic flows for commuters.

Campbell also believes property values in the Port Moody-Coquitlam corridor could rise up to 20 per cent with the Evergreen Line rapid transit link and North Fraser perimeter road.

Surrey and Delta will receive "secondary benefits" as the South Fraser perimeter road and twinning of the Port Mann bridge will help ease traffic on their major streets, Campbell said. Mission and Chilliwack, he added, will attract first-time buyers who will find it easier to commute to jobs in the Abbotsford and Langley areas.

Campbell said areas of Vancouver and Richmond along the Canada Line rapid transit link will see values increase, but not by as much as other regions because they are already high-priced areas.

David Podmore, president of the Urban Development Institute's Pacific region, and CEO of Concert Properties, said developers are already staking positions on rapid transit lines for higher-density development.

Podmore said Concert is seeing more buyers who find urban condominiums more attractive than suburban houses.

"A lot of people . . . are estimating both the real and social costs of commuting," Podmore added.

depenner@png.canwest.com

- - -

THE GATEWAY EFFECT

The Gateway Project will deliver a 10%-20% increase in real estate values in the areas listed, over and above the rest of the Lower Mainland and Fraser Valley, according to the Real Estate Investment Network.

The regions that will benefit most are ranked according to how great the impact will be.

1. Maple Ridge and Pitt Meadows, hampered by poor transportation infrastructure for decades, will see property values increase as the region becomes among the most accessible in the Lower Mainland; this will drive demand for both residential and commercial-industrial property. Directly affecting the region will be: The new Golden Ears Bridge; the new Pitt River Bridge; the South Fraser Perimeter Road; the expansion of Highway 1; and the twinning of the Port Mann Bridge.

2. North Langley, Fort Langley and Abbotsford have been held back by Highway 1 and Port Mann Bridge congestion. The expansion of the HOV lane on Highway 1, the twinning of the Port Mann Bridge, and the completion of the South Fraser Perimeter Road will relieve this congestion, driving growth for commercial enterprises and residential units alike.

3. Port Moody and Port Coquitlam already enjoy higher real estate prices than the first two on this list, but this region will experience an increase in demand from commuters wishing to stay on the north side of the Fraser. The largest impact will come from the Evergreen Rapid Transit Line and improvements to the North Fraser Perimeter Road.

4. Surrey and Delta will see traffic issues alleviated after the completion of the South Fraser Perimeter Road and the twinning of the Port Mann Bridge, as much of the commercial truck traffic will be taken off arterial streets.

5. Mission and Chilliwack will feel the impact from reduced congestion on Highway 1 and access to the South Fraser Perimeter Road. Mission will attract both residential and commercial interest, while Chilliwack will see a boost in commercial-industrial investment.