

Property values would take a hit if trains return to Arbutus corridor, appraiser says

CP Rail is exploring 'operational options' for the line

BY DERRICK PENNER, VANCOUVER SUN MAY 10, 2014

VANCOUVER -- Property owners adjacent to CP Rail's tracks along the Arbutus corridor could take anywhere from a 15- to 20-per-cent hit on their property value if the railway re-establishes train traffic on the route, according to a major appraiser.

CP Rail caused a stir in neighbourhoods along the line this week by sending letters to property owners warning them that workers will be clearing brush along the tracks so the right-of-way's property lines can be surveyed.

Having reached an impasse over plans on how to best use the land, the railway needs to explore its "operational options for the line," which remains "an active corridor," said CP spokesman Ed Greenberg.

However, while Greenberg wouldn't elaborate on what "operational options" CP is considering, Gordon Price, a former city councillor and director of the City Program at Simon Fraser University, said it looks like CP is "softening up" the neighbourhoods along the tracks to accept some sort of development potential.

"I presume (CP wants) the ability to move forward with something that would give them a substantial return on their asset, or a sale (to the city)," Price said.

Historical records show that CP took over the Arbutus line in 1901, and leased track space to the B.C. Electric Railway, which ran the Interurban tram on the tracks from downtown to Steveston until 1958.

Price added that the tracks also served a sizable pocket of industrial development at what is now Arbutus Gardens, which included a brewery and other light manufacturing.

The re-appearance of locomotives would reduce property values, said Paul Sullivan, a principal with the Vancouver appraisal firm Burgess, Cawley & Sullivan.

"I'd say it would have an impact perhaps as much as (15 to 20 per cent)," Sullivan said.

It is difficult to estimate, Sullivan added, but he likened it to properties adjacent to a busy street, where they are typically valued 15 to 20 per cent lower than homes on quieter streets.

And in west-side neighbourhoods where single-family properties are worth \$1.5 million to \$2.5 million for lot-value alone, the difference is considerable.

Sullivan said uncertainty is the immediate factor that will come to play. Homeowners along the Arbutus rail corridor thought the future of the corridor was settled in 2006 when the Supreme Court of Canada

ruled that the City of Vancouver retained the right to determine zoning of the land over CP's plans to develop the property.

"I guess what they're doing is putting that uncertainty back at the front of the debate," Sullivan said.

Mayor Gregor Robertson said Friday that he would be contacting CP to reinforce the city's position.

"There's a historic exchange (between Vancouver and CP)," Robertson said. "They're well aware that we want to see that as a greenway going forward, and preserve the right to do light-rail rapid transit in the future."

Robertson wouldn't speculate on why CP is taking this step now, but is "hopeful that they have the city's and neighbourhoods' best interests in mind" when considering their next step.

He added that there is no longer any industry along the tracks for trains to serve, but acknowledged that the city can't stop CPR from running trains on an active right of way "that's been in place for generations."

Neither Robertson nor CP would disclose when the impasse over what to do next with the route was reached.

Robertson said it has been at least two years since he has been involved in discussions with the railway on this topic, though he said negotiations had taken place at various levels for a decade.

Greenberg said CP "has been involved in conversations to convert the Arbutus corridor for a number of public uses," including a greenway and "eco-density" development.

"Despite efforts of the company and other parties, we have been unable to achieve a plan for the disposition of this asset," he added, and the company has arrived at the point where it needs to re-establish its property lines and assess the condition of the track to "continue to satisfy Canadian Transportation Act requirements."

However, Price argued that while the city doesn't own it, it is right to hold on to its zoning as a transportation corridor. Building transit along the route isn't a priority now, and it might take 50 years before development catches up with the need, but retaining it is a "long-term" position.

"The corridors are like arteries in a body, they're indispensable," Price said. "Cities live and die by them."

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