

How selling air rights could save a tiny heritage home in Vancouver's real estate boom



Arthur Erickson's home and garden in Vancouver on March 20, 2013.

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It could be just the ticket for saving some of Vancouver's heritage properties, starting with the cherished home and garden of the late architect Arthur Erickson.

The City of Vancouver is considering allowing owners of heritage properties in residential neighbourhoods to sell their air rights, also known as unused development rights. For the charity that owns Mr. Erickson's former refuge, the complex transaction would have a simple result — sparing the property from demolition.

The 850-square-foot bungalow, built in 1924, has an assessed value of only \$15,700. The fixer-upper is on the equivalent of two standard lots — in total, the land measures 66 feet in width and 122 feet in depth. The land value has soared to an estimated \$6-million, without any air rights factored in.

The cash-strapped but land-rich Arthur Erickson Foundation points out that the historic home is tiny and uses up only a small portion of the available density. Since the modest house on a large parcel of land is an example of low density, the air rights would be a tradable commodity auctioned off to a developer, said Simon Scott, a foundation director who was Mr. Erickson's architectural photographer.

Developers could buy the right to transfer the density elsewhere to build a project such as a condo building that would be larger than city hall would otherwise permit.

The former abode of Mr. Erickson requires costly upgrades. "Our major goal is to restore and rejuvenate both the house and garden for public viewing," Mr. Scott said. "Selling air rights through the City of Vancouver's program has already been done on commercial transactions downtown."

The non-profit foundation receives donations from the public and collects rent from a tenant who lives in the house and helps maintain the garden, but needs to generate more revenue to pay down two mortgages totalling \$590,000 and finance renovation plans. The foundation refinanced debts in 2013. It took over the mortgaged house in 1997 from Mr. Erickson, who was on the verge of losing his cherished property due to outstanding debts.

Over the years in Canada's most expensive real estate market, far too many homes have been razed as land values skyrocket, Mr. Scott said.

On Vancouver's west side, where the Erickson property is, everything from tear-downs to heritage homes command high prices because of the land value.

The City of Vancouver suspended the density transfer mechanism for heritage buildings for commercial use a decade ago because of mixed results and an excess of air rights. The foundation is hoping the program will be revived in 2018 and expanded to allow the owners of heritage houses in residential neighbourhoods to swap their air rights for money.

Marco D'Agostini, senior heritage planner for the City of Vancouver, confirmed that owners of heritage homes such as the foundation are not eligible to transfer density under existing policy. But civic officials are reviewing the heritage incentive program, with recommendations scheduled to go before city council by mid-2018, he said.

"Next year, we plan to report to council with a restructured program that would be able to provide incentives, one of which might be density for transfer that could work on the Erickson site," Mr. D'Agostini said in an interview. "The incentive program might be reactivated or there might be some other tools available to the foundation that could be useful for them, such as grants to heritage projects."

The Vancouver property at 4195 West 14th Avenue served as a gathering place for garden parties with celebrity guests from Pierre Trudeau to Rudolf Nureyev. Mr. Erickson did not design the house, but he made modifications to the interior and he is the mastermind behind the serene garden, which helped provide architectural inspiration on many moon-lit nights.

While the trading of air rights by itself would not fix all heritage conservation problems, transferring density will help protect historic homes from being torn down, Mr. Scott said.

Mr. Erickson ran into financial troubles over the years. The charity, formed in 1992, came to his rescue after he filed for personal bankruptcy. Since his death at the age of 84 in 2009, the property has skyrocketed in value beyond what he would have ever imagined. He bought the place in Vancouver's Point Grey neighbourhood for \$11,000 in 1957.

Mr. Erickson is known for his modernist concrete buildings. He designed the Museum of Anthropology, Robson Square and the downtown Law Courts complex in Vancouver, as well as Roy Thomson Hall in Toronto, the Canadian embassy in Washington, and the University of Lethbridge in Alberta.

The one-storey Vancouver home, which has no basement, is at the back of the property, next to the alley. From the street, passersby cannot see the bungalow, which has a loft and a garden with a pond, because they are hidden from view by tall hedges and trees.

Real estate officials have suggested the foundation sell the property and use some of the proceeds to construct a replica garden in the architect's honour at the University of British Columbia. Some developers relish the thought of subdividing the large corner property and building monster mansions side-by-side if the charity were ever forced to sell.

But that kind of talk is heresy to Mr. Scott and other charity directors. To them, selling the property and allowing a developer to destroy the house and garden to make room for two mansions would be sacrilege.

"We need to secure money and protect the cultural value. It might be through the transfer of air rights or another method that's less complicated," Mr. Scott said.