



Mixed-Use Development Land Policy

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Purpose

This Assessment Policy ensures that BC Assessment (BCA) consistently classifies all vacant, mixed-use development land.

Mixed-Use Development Land Importance

Development land is property that has a highest and best use for development into a higher density use, generally through subdivision. Mixed-use property is one that is used for two or more purposes (e.g., apartments above retail stores) and may be classified into multiple property classes as per the *Prescribed Classes of Property Regulation*. BCA ensures that mixed-use development land is consistently and accurately classified to ensure:

- adherence to the *Prescribed Classes of Property Regulation* and other legal direction;
- production of an accurate and uniform assessment roll;
- data quality for mixed-use development land properties is current and accurate; and
- Local governments and other property data customers receive accurate data advice and other property data products.



Policy Statements

1. Vacant development land with no present use must be classed based on all relevant local government planning documents.
2. Vacant land with no present use and that is neither zoned nor held for business, commercial, or industrial uses as of October 31 prior to roll closure must be placed in Class 01 – Residential
3. Vacant land with no present use that is zoned to permit business, commercial or industrial uses as of October 31 prior to roll closure must be placed in Class 06 – Business and Other unless:
 - prescribed local government planning documents indicate that a specific portion or percentage of the land may be used for residential purposes and must not be used for business, commercial or other industrial purposes, in which case that portion or percentage should be placed in Class 01 - Residential.
4. Mixed-Use land must pass the two-part test prior to being placed in Class 01 – Residential.



Mixed-Use Development Land Requirements

Mixed-Use Development Land General Requirements

1. Vacant development land with no present use must be classed based on all relevant local government planning documents. This includes:
 - zoning bylaws under the *Local Government Act*, sec. 479 or 482;
 - zoning bylaws under the *Vancouver Charter*, sec. 565 or 565.1;
 - a phased development agreement under the *Local Government Act*, sec. 516;
 - an official development plan under the *Vancouver Charter*, sec. 562;
 - a covenant under the *Land Title Act*, sec. 219 (formerly sec. 215) section 219 of the *Land Title Act* (formerly section 215); and/or
 - a land use contract.
2. Vacant land with no present use that is neither zoned nor held for business, commercial or industrial uses as of October 31 prior to roll closure must be placed in Class 01 – Residential
3. Vacant land with no present use that is zoned to permit business, commercial, or industrial uses as of October 31 prior to roll closure must be placed in Class 06 – Business and Other unless:
 - prescribed local government planning documents make it clear that a specific portion or percentage of the land can be used for residential purposes and cannot be used for business, commercial or other industrial purposes,in which case that portion or percentage should be placed in Class 01 - Residential.
4. Before placing land in Class 01 – Residential on the basis that residential use has commenced, it must be ensured that the land meets the two-part test:
 - construction must have actually commenced; and
 - there must be an irrevocable commitment to residential use.



Resources

Definitions

- Refer to the [BC Assessment Glossary page](#) for term definitions.

Related Policies

- [Industrial, Commercial and Investment \(ICI\) Land Policy](#)

References

- [Vancouver Charter](#), S.B.C. 1953, c. 55
- [BCSFA Website \(Formerly Superintendent of Real Estate website\)](#)



Appendices

Appendix 1: Mixed-Use Development Land Classification Checklists

1. “No Present Use” under *Prescribed Classes of Property Regulation*, sec. 1(1)(c)

1. Does the land have a present use (i.e., is it vacant and unused)?

- If yes, classify the land in accordance with its present use;
- If no, consider the zoning.

2. Is the land zoned to permit business, commercial or industrial purposes?

Review the applicable zoning bylaws. If business, commercial, or industrial are permitted but not in a delineated area then, subject to question 3, classify the land as Class 06 – Business and Other. If the only commercial or business use permitted is a home occupation or bed and breakfast use in conjunction with a single family residence that is the principal residence of the owner or manager, classify the land as Class 01 – Residential.

3. Do any of the relevant local government planning documents specify what portion or percentage of the land can be used only for residential purposes?

Consider:

- zoning bylaws
- phased development agreements
- official development plans
- section 219 covenants
- land use contracts

If the documents, together or alone, specify the portion or percentage of land that can be used only for residential purposes, place that portion or percentage in Class 01 with the remainder, if any, in Class 06. Again, if the only commercial or business use permitted in the area to be used for residential purposes is a home occupation or bed and breakfast use in conjunction with a single-family residence, classify the land as Class 01.



2. Used for Residential Purposes under *Prescribed Classes of Property Regulation*, sec. 1(1)a

1. Has actual construction commenced?

Check for:

- activity on-site (e.g., excavation, pile driving, demolition, site-clearing, presence of heavy equipment, on-site construction office)
- hoarding around site
- environmental remediation

At a minimum, check to see that pre-existing improvements are demolished, the site is cleared and ready for excavation and environmental remediation to bring the property up to residential standards is complete. Alternatively, determine whether excavation for the purposes of construction has started. Go to question 2, below.

2. Has the developer committed to residential use?

Check for:

- zoning
- restrictive covenants or land use contracts
- approved development permits
- filed Disclosure Statement
- building permits
- financing commitment
- general construction contract and subcontracts with trades
- pre-sales
- acquisition of additional density

Only place the land in Class 01 - Residential if construction has started and the relevant documents permit residential development. In addition, there must be an approved development permit, a filed disclosure statement, a general construction contract, one or more pre-sales and additional density must be acquired where applicable.



Appendix 2: Frequently Asked Questions

- 1. If a development permit or a building permit specifies what portion or percentage of the land with no present use can be developed only for residential purposes, should the classification of land be split to reflect the development permit or building permit?**

No, not unless that specific portion or percentage is also set out in one or more of the following: zoning bylaws; a phased development agreement; an official development plan; a section 219 covenant; a land use contract. If the development permit or building permit is the only planning document that specifies the portion or percentage of land that can be used only for residential purposes, the land will default to Class 06.

- 2. What if the land is zoned for comprehensive development (i.e., permitting residential and business uses) but a land use contract restricts the developer to using the land for residential purposes only? Which planning document takes priority in the event of such a conflict?**

In this case, the land should be placed in Class 01 - Residential. As long as one or more of the relevant local government planning documents provides what portion or percentage of the land can be used only for residential purposes, that is enough and it does not matter if the documents are inconsistent.

- 3. What if the relevant planning documents permit mixed commercial and residential buildings over the entire parcel (e.g., retail on the main floor with residential units above)? Would any of this land qualify for Class 01 - Residential?**

Possibly. If the specific portion or percentage of permitted residential buildable area can be determined from the planning documents, and that area cannot be used for business, commercial or industrial purposes, then the proportion of residential to the overall buildable area will qualify for Class 01 under section 1(1)(c) of the Classification Regulation. For instance, on a 100,000 square foot lot, the maximum buildable area is 190,000 square feet. The planning documents provide that 100,000 square feet of residential space and 90,000 square feet of commercial space will be constructed. The lot should be split-classified 53 percent in Class 01 and 47 percent in Class 06 (100,000/190,000). The split should be based on buildable area and not the lot size or the land value in each use.

- 4. What if the relevant local government planning documents permit a range of residential use (e.g., up to 200,000 square feet, or up to 50 percent residential use)? Can any of the land be classified as residential and if so, how much?**

No. Planning documents that only permit a range or a maximum of residential use do not permit a "specified" portion or percentage of residential use and do not trigger a split classification. There is no way to determine how much of the land can be used only for residential purposes, so the land will default to Class 06. Further, none of the land can be classified as residential if there is a possibility that the land could also be used for business, commercial or industrial purposes.

- 5. What if the relevant local government planning documents provide that up to a maximum amount of the land can be used for commercial purposes**



**(e.g., up to 200,000 square feet, or up to 50 percent commercial use)?
How should the land be classified?**

Classify the maximum amount of land permitted to be used for commercial purposes as Class 06 and put the remainder in Class 01 if the only use that can be made of the remainder is residential or some other non-commercial/business/industrial purpose. In this case, we can be confident that the remainder must be used for residential purposes (or at least, cannot be used for business, commercial or industrial purposes). Once construction starts on a mixed-use development property then sect. 1(1)(c) does not apply because the property will then have an actual use, and the classification will be based on that actual use.

6. What if the relevant local government planning documents permit the construction of a number of residential doors or units?

If the specific number and specific size of the units is clear, so that the amount of residential buildable area is known, then a portion of the property may come within Class 01. However, if either the number of residential units, or the size of those units is not clearly specified, then no portion of the land may come within Class 01.

7. If the zoning permits land to be used for a live/work purpose or as a bed and breakfast operation, but only in conjunction with or within a single family residence, will the land be excluded from Class 01 on the basis that it is “specifically zoned” to permit business, commercial or industrial purposes?

If the only business or commercial purposes permitted on the land are live/work or bed and breakfast uses in conjunction with a single family residence, this land should not be treated as specifically zoned for business, commercial or industrial purposes. It can be placed in Class 01 as though it were zoned to permit only residential use.

8. In order to determine the buildable area for commercial or residential purposes, should we look to the base density in the zoning bylaw, or the bonus density that is available if certain steps are taken?

Please rely on the base density only. The availability of any bonus density is too speculative.

