

REAL ESTATE ROUNDUP

PETER MITHAM

Blaze opens doors to major redevelopment in hot 'hood



Broadway buzz

Cynical as it might be, the word among those who ply the back alleys of Mount Pleasant is that the fire that destroyed two buildings at Kingsway and Broadway on Christmas morning was done for insurance purposes. The second fire in as many months has also increased speculation about development plans for the area as the real estate market again heats up.

A call to site owner **Rize Alliance Properties Ltd.** president **Will Lin** puts some of the streetside comments in perspective. Rize Alliance owns much of the block where the fire occurred and intends to redevelop the site, a process that has indeed been accelerated by the Christmas blaze.

"We've been talking to the city about a comprehensive redevelopment of that block," Lin said last week. "The fire just kind of kick-starts the whole thing. Now we've just got to move along a little faster."

Rize Alliance expects to bring a rezoning application for the site to city council this spring, on the heels of council's receipt of the new Mount Pleasant community plan in April. The plan, under development since 2007, will likely recommend increased density and height along Kingsway and elsewhere in support of goals the community identified as part of the city's consultation process.

Goals include preserving the form and character of Main Street (including the site of the November fire on the southwest corner of Broadway that claimed several local businesses) as well as various heritage features of the area, while boosting



Burning questions: two recent fires and new planning guidelines from the city are setting the stage for ongoing changes in Vancouver's Mount Pleasant neighbourhood

affordable housing and other community amenities.

Lin said insurance will cover Rize Alliance's losses. He added that the fire marshal has yet to determine a cause for the blaze, which started in the **Genesis Nutrition** shop at 264 East Broadway.

Rize Alliance is also proceeding with plans for a 50-unit apartment property at Broadway and Quebec, though Lin said he'll wait to determine if it will be rental (through the city's short-term incentives for rental housing [STIR] program) or be sold off as condos on completion in December 2010.

Vancity buys

Vancity Enterprises Ltd. has acquired the remaining 25% interest it didn't already own

in Victoria's \$600 million Docks Green development from development partner **Joe van Belleghem**.

A value for the deal, announced just before Christmas, wasn't disclosed. The purchase consolidates Vancity's control over the project, which was originally tagged at \$300 million before construction costs increased dramatically in 2005 and 2006. Consultant **Gordon Smith** has been working with Vancity on the project since summer 2009 and will oversee future development at the 16-acre site.

The deal frees van Belleghem to concentrate on other pursuits, including redevelopment of the Bamber-ton lands with **Three Point Properties Ltd.**

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- Will Lin, president, Rize Alliance Properties Ltd.

Woodward's rises

Seventeen years ago, this columnist was among the bargain hunters rummaging through discounted merchandise at the **Woodward's** store in south Edmonton, as the Vancouver-based retailer wound down its operations.

The official opening of the redeveloped flagship store at 101 West Hastings Street in Vancouver last week, and restoration of the iconic red W atop the tallest of the site's new towers, heralds a brighter era for both the retailer's name and the Downtown Eastside.

A sense of the achievement developers **Ian Gillespie** and **Ben Yeung** of the **Westbank Projects Corp./Peterson Investment Group** partnership have realized has come through friendships with many members of the design team at **Henriquez Partners Architects** and others involved in the project. The dedication that pushed people to excel (and relationships to breaking) demanded innovative solutions to economic challenges (originally priced at \$300 million, estimates are now running at \$400 million even after significant economies) and called a community to choose its future has borne fruit.

While the red W could easily have become the horns of the devil that always lurks in the project details, many will see it as arms joined in reaching toward a better future. With sales of adjacent properties picking up, the return on investment - financial and otherwise - developers, designers and trades made in Woodward's will be counted in added value to the city. ■ pmitham@telus.net

BRIEFS

Commercial real estate market remains challenging

Metro Vancouver's office, retail and industrial lease markets are forecast to face a challenging economic environment, according to **Avison Young's** 2010 forecast report.

The region's overall office vacancy rate is expected to rise to 8%, almost 3% higher than the vacancy rate in December 2008. Much of the increase will be due to oversupply in the suburban office markets like Burnaby and Richmond.

While conditions are improving, Metro Vancouver's retail market is expected to face continued challenges in 2010. The report suggested there will be fewer speculative projects this year with food and drugstore-anchored properties continuing to generate the most demand.

Redevelopment of existing or obsolete retail space in key urban locations, however, will continue to offer opportunities for developers and less risk-averse investors.

Industrial leases should see incremental growth in tenant demand after a dormant market in 2009. The report suggested tenants will benefit from more opportunities because of recent recession-related vacancies.

Investor demand for commercial properties is one area that may see improvement as the bid-ask gap between buyers and sellers narrowed and price expectations of sellers were met. Equity markets have improved, presales are returning and both institutional and private buyers are regaining confidence again.

The report suggested institutional investors in particular are in buying mode, although, possible interest rate changes and fallout from the expiration of commercial-mortgage-based securities in the U.S. may impact the Vancouver market.

Vancity and the Association of Women of Finance present



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www.womeninfinance.ca/nominations.html or contact AWF Vice President Stephanie Daniels at sdaniels@farris.com.

Nominations are due by February 6, 2010.



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