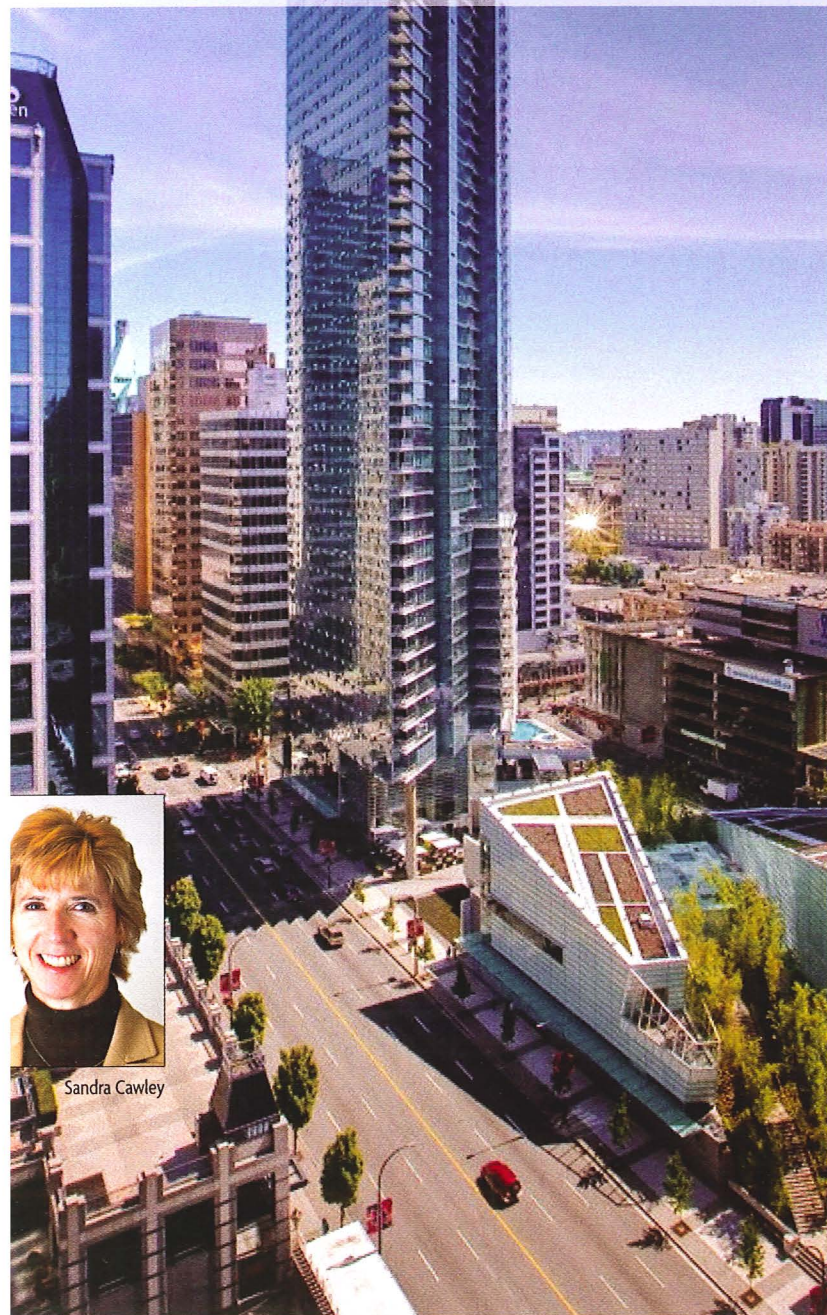


Oh brave new world...

It took nearly nine years of research, wide community, professional consultation and review to produce the Metro Vancouver 2040: Shaping Our Future report, released in January this year and subsequently approved.



Sandra Cawley

*Shangri-La Vancouver. Hotel & Condominiums.
610,000 sf, 300 units, 119-Room Hotel, Retail & Amenities*

The report anticipates some 35,000 people a year moving into Vancouver's Lower Mainland over the next decade, their housing and employment needs, and expanding the transit system to accommodate growing ridership.

It also deals with growing pressure to release some of the pristine Agricultural Land Reserve's (ALR) 60,000 hectares of farm land for development. The soil is rich in nutrients and vastly richer to developers for building homes and related commercial development.

In the meantime, the dimensions and classes of development requiring professional consulting of a purely statistical kind continues to flourish in Metro Vancouver.

It's also the context in which Sandra Cawley provides advice and services to pension funds, banks, property managers, developers, investors and private owners with development in mind.

As a principal of **Burgess Cawley Sullivan & Associates**, a Vancouver commercial real estate appraisal and property tax consulting company, she and her colleagues advise clients on the financial implications of developing a building, including the minutiae of property taxes and a long list of other expenses, office and retail rent scenarios, and basically what to expect.

When asked about the overall cost of building commercial real estate in Vancouver, she says it had drifted down to \$120 per buildable square foot last year, but has since risen to \$160 to \$180 per buildable square foot.

Building the 2010 Olympic Games venues two years ago cost \$280 per buildable square foot, and has since slipped back down to \$220 to \$230 – i.e. for a LEED Gold standard building.

Land suitable for downtown commercial development in the right place, the right configuration and/or the right price, but sites are scarce in downtown Vancouver, unless someone levels the mountains and fills in the shoreline.

Developers looking for sites have to go further afield from the built-up downtown core. They're mainly local developers, but more recently they've been joined by companies from mainland China, Cawley says.

And the vendors? "They tend to be owners along major transportation corridors who have held the land over the past 15 to 20 years and improved it with various properties," she says. There are also, of course, farmers who can expect to sell, and do, an acre for hundreds of thousands of dollars, or more.

Mixed-use developments in urban British Columbia, notably Metro Vancouver, are becoming more popular. Are they expected to become even more popular, and faster?

Probably, but Cawley says they're also challenging. "Complicated design and planning issues

need to be overcome, such as loading access, as well as attracting traditional retail anchor tenants.

"You also can't have a residential tower on top of vacant commercial space. You need a sense of community and you have to know how it all works together.

"If you include restaurants, maybe a movie theatre or other businesses which create smells or noise, which have different architectural, construction and functional requirements," she added, "you have to make all those uses work together and well." ■

Albert Warson

Nobody said Vancouver development would be easy Q. and A.

Michael Geller, The Geller Group, Vancouver, answered some questions facing a panel in which he participated, focusing on local issues:

Q. How should we pay for amenities?

A. I am opposed to the approach where the city tries to take a percentage of the land resulting from a rezoning. The city should instead pre-determine the extent of developers' community contribution, in advance. This would help developers know how much they can pay for the land, let original property know what they can reasonably expect, and make sure there is enough money to pay for new community amenities.

Q. Should the transit authority be involved in land and/development?

A. Yes, it should acquire land in advance of a new line being built, then work with the municipality to rezone that land to facilitate higher density. That could attract developers who would help pay for the new transit station, although they shouldn't be in competition with the private sector.

Q. Is Vancouver in a real estate bubble?

A. Everyone who comes here from other cities in North America is absolutely astounded at the price of property in our region, particularly residential. Single family and multi-family houses on 33-foot lots are selling for more than \$1.5 million.

Q. Who are the buyers pushing up the prices?

A. In many instances it's people coming from mainland China. Most people involved in real estate are wondering how long it [skyrocketing prices] can continue to go up. Some are buying land and building homes, and some are being bought and rented out. The subject of imposing some form of control, possibly a certain percentage of foreign ownership, has become very topical discussion lately.

Q. What's the problem?

A. It makes money for developers but drives up prices which are no longer affordable for the overall marketplace.

Q. What's the answer?

A. Municipalities need to zone more land for more multi-family housing because of a shortage of it in many parts of Vancouver.