REAL ESTATE ROUNDUP

PETER MITHAM

Safeway sells Burnaby site for $125 million; Columnist lodges in 60-square-foot abode

Crème de la crème

Canada Safeway Ltd.'s former refrigerated goods distribution complex in Burnaby now belongs to **Ledingham McAllister**. The Vancouver developer acquired the 48-acre site from Safeway on December 15 for approximately $125 million.

Safeway handled the marketing and sale of the property itself. It distributed 40 to 50 information packages to developers at the start of June and eventually settled on a short list of eight bidders. Bidding closed at the start of July, and Ledingham McAllister emerged successful after a short due diligence process.

Safeway, which has not responded to requests for comment on the sale process, will lease back the dairy plant it continues to operate on six acres of the property pending the plant's relocation. Ledingham McAllister president and CEO **Ward McAllister** said work with Burnaby planning staff will begin soon to develop a comprehensive community consultation regarding the site. He expects that process to last 12 to 18 months, with no construction occurring before 2014.

Safeway marketed the property with concept plans showing up to seven towers and a variety of mid-rise properties on a site crossed by leafy avenues integrating the site with the surrounding Edmonds neighbourhood.

"That bears no resemblance or relationship to anything that we're either envisioning or would come out of a planning process," McAllister said last week. "This is going to be a very consultive, inclusive, responsible process that's going to take a long time."

McAllister is keen on the prospects for the site, however, noting that the purchase price reflected its prime position in the heart of Edmonds, with transit and highway infrastructure, retail space and a new community centre and library all close by.

"It's a hell of a site," he said. "Everything's there."

Shift shifted

The first week of January will bring assessment notices to residents and businesses across B.C. The assessments might include surprises for many homeowners – particularly on Vancouver's West Side, where a rash of multimillion-dollar sales have helped skew valuations and affordability measures – property tax specialist **Paul Sullivan** of **Burgess, Cawley, Sullivan & Assoc.** notes that the residential tax rate will likely fall. Vancouver's tax rate is already among B.C.'s lowest – fourth after Belcarra, Lions Bay and West Vancouver.

With the total value of residential assessments expected to rise as much as 16% in Vancouver – the biggest Sullivan has seen in his 22-year career – and the city planning to stop the four-year shift in the municipal tax burden to residents, the residential tax rate is in no danger of rising to meet the city's budget.

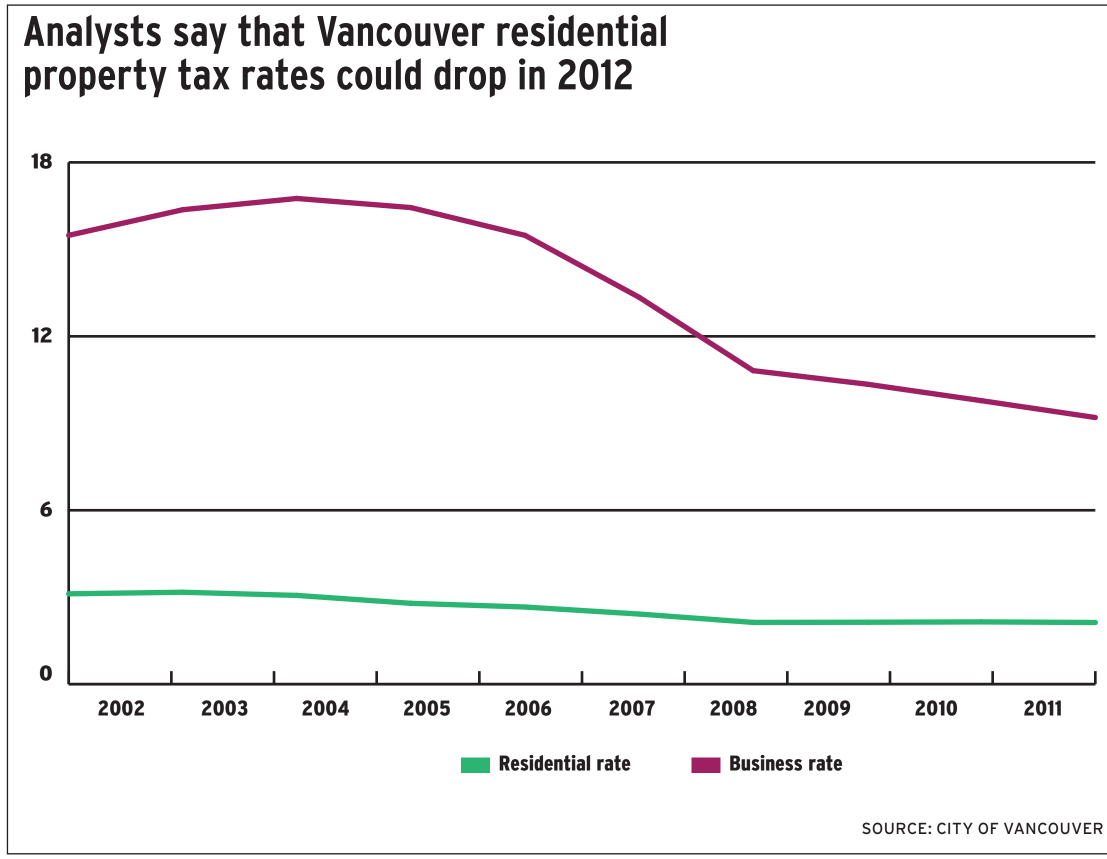
> **"It's a hell of a site"**
>
> – Ward McAllister, president and CEO, Ledingham McAllister

Rather, business-class properties in Vancouver will continue to bear the greatest share of any city's tax burden in Metro Vancouver. According to the B.C. **Ministry of Community, Sport and Cultural Development**, residential properties bear 53% of the municipal tax burden, while businesses bear 44%. Richmond business-class properties bear just 38% of the local tax burden.

Tax time is always a battle, but Sullivan – also active in the **Vancouver Fair Tax Coalition** – believes there's scope to ensure Vancouver's non-residential tax regime is competitive with those of neighbouring municipalities.

"My hunch is that the residential tax rate in Vancouver will be as much as 50% below the next municipality, which is astounding," Sullivan said.

By contrast, North Vancouver, Richmond and Surrey all have lower business tax rates than Vancouver, and a smaller spread between their residential and business rates.



Business-class properties in Vancouver will continue to bear the greatest share of any city's tax burden in Metro Vancouver

Small spaces

Years before this columnist began writing about real estate, he spent a winter lodged in a 60-square-foot bedroom in an Edmonton basement suite with minimal heating that cost $200 a month.

By comparison, the so-called "microlofts" **Reliance Holdings Ltd.** unveiled last week at 18 West Hastings Street seem positively luxurious. A fifth-floor suite on show for media boasted 260 square feet of coziness, complete with a 40-inch flatscreen TV and 10-square-foot shower nestled within a wet room-style bathroom enclosure. A wall bed contains a small table that folds out for dining during the day. Rent is $850 a month, all-in.

Glynnis, the tenant, says the smart design and finishes are key in making the space livable. The reincarnation of a former SRO apartment, the suite beats the two-bedroom basement suite she previously rented off Main Street (its shower was even smaller than her current stall). Glynnis expects to spend a year or two in the digs before relinquishing the space.

While the city touts the suites – there are 30 of them in the building – as assisting affordability, the per-square foot rent is well above the average for the city.

But, of course, the price is right. Should the idea catch on, one might almost expect to see nanolofts appear in the name of density and affordability. Just imagine: a waterproof Murphy bed folds into a walk-in shower stall that doubles as a spray-down breakfast nook. Plus, if the public realm replaces indoor living space (something UBC professor **Tsur Somerville** told the **Urban Land Institute** last year must happen), even smaller accommodation becomes possible.

O, brave green world! ■

pmitham@telus.net