



REAL ESTATE ROUNDUP

PETER MITHAM

Mall changes hands, auctions active in real estate wheeling and dealing

Brentwood changes ahead
Vancouver-based **Shape Properties Corp.** has joined with **Healthcare of Ontario Pension Plan (HOOPP)** to acquire Brentwood Town Centre in Burnaby from the **Ontario Pension Board** for approximately \$100 million.

Originally opened in 1961, Brentwood received a makeover in 2006 and now boasts 500,000 square feet of retail space. The new owners plan to undertake an ambitious redevelopment of the property by 2012. Burnaby identifies the site for additional density under the Brentwood Town Centre Plan. Shape and HOOPP plan to capitalize on the vision for the area by adding upward of one million square feet of commercial space and a residential component. The new development would feature better connections with transit, already present on-site through a bus loop and SkyTrain's Brentwood Station.

"You have the benefit of planning a large parcel of



Shining opportunity: builders are ramping-up construction of units such as this cabin near Cultus Lake to meet buyer demand in advance of the HST's introduction in July

land comprehensively," said **Darren Kwiatkowski**, executive vice-president with Shape. "You can really do something unique and interesting."

Kwiatkowski previously tackled several high-profile projects for **SmartCentres** (then known as **First Pro Shopping Centres**) and notes that the planned redevelop-

ment is also consistent with Metro Vancouver's regional growth strategy.

Since much of the public consultation process that would normally be associated with such a major project was completed during the development of the area's municipal plan, the necessary approvals for the project would take just two years and allow construction to begin in 2012. Kwiatkowski estimates three years for construction, meaning the new complex could be ready for business by 2015.

HOOPP is a major player in Burnaby's commercial real estate market. It also owns the Willingdon Park business

development a few blocks south.

Action plan
Peter Simpson, CEO of the **Greater Vancouver Home Builders' Association**, says the impact of the proposed HST is beginning to dawn on homebuyers. Small surprise, then, that companies such as Fraser Valley cottage-builder **Cultus Country Investments Ltd.** and Winnipeg's **Qualico Group** are ramping up construction to beat the tax.

Neither the recreational properties Cultus Country offers nor the \$600,000-plus homes that Qualico develops are eligible for the rebates the

province plans to offer on residential properties. Both builders will consequently suffer a direct hit when federal and provincial sales taxes are harmonized – as they're expected to do, regardless of recall campaigns – on July 1. Renovators are also seeing demand pick up in advance of the deadline.

"I don't think there's any product that's going to be hit as hard by the HST as a new home"

– **Jake Friesen**, Pacific Region vice-president, Qualico Group

To beat the anticipated sticker-shock when the HST and higher interest rates kick in later this year, Cultus Country is fast-tracking construction of the 218-unit project it's developing near Cultus Lake. Buyers who get in before the HST comes down could save up to \$44,093 in taxes. Similarly, Qualico is going "flat out," according to vice-president **Jake Friesen**, to give buyers occupancy before the June 30 deadline.

"I don't think there's any product that's going to be hit as hard by the HST as a new home," he said. "We're going as fast as we can. We're just pushing as hard as we can for the June 30 deadline."

When it comes to the percentage lift the HST has given builders, Friesen was coy.

"There's no such thing as a normal year," he said. "Sales are strong, but if you're going to say what percentage? I wouldn't go there."

Auction plan
Richmond-based **Ritchie Bros. Auctioneers Inc.** is bringing a handful of properties to market on May 19 in what is, at least for one client, a testimony to the effectiveness of the auction process.

Ritchie Bros.' Chilliwack site will include residential, recreational and commercial properties among the lots in an industrial auction event, with real estate on Vancouver Island, the Sunshine Coast and Clearwater, north of Kamloops in the B.C. Interior.

While a successful sale usually depends on limiting restrictions to the essentials – a reserve bid that assures the vendor of a minimum price for the property, as well as a deposit and other measures designed to ensure the participation of serious bidders only – Ritchie Bros. eschews reserve bids in favour of closing sales for its clients.

This prompted **BGD Holdings Ltd.** to offer four oceanfront and ocean-view acreages in its Pender Harbour Sakinaw Ridge development to auction-goers. It previously offered five lots at auction through Ritchie Bros. in September 2008.

Ritchie Bros. typically conducts six to 12 property auctions a year, excluding sales of farm land. ■

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BREAKING GROUND from *Breaking*, 12

Resource industry in brief

market capitalization was valued at \$165.9 million.

The Vancouver-based company owns the Zaruma gold project, where a gold-processing plant is in production, and the development-stage Jerusalem project, both of which are in Ecuador.

The Zaruma project is in the Zaruma-Portovelo mining district, which the company believes is a high-grade gold area that has produced more than five million ounces of gold.

The Jerusalem project has 585,100 ounces of gold in the measured and indicated categories.

Dynasty is also working on the Dynasty Goldfield project, a previously unexplored copper-gold belt in southwestern Ecuador with more than one million ounces of measured and indicated gold.

Executive move



Days after his departure from Vancouver-based **NovaGold Resources Inc.** (TSX:NG), **Greg Johnson** has been

named president and CEO of **South American Silver Corp.** (TSX:SAC).

Johnson has been a director with South American since last spring, but spent 12 years with NovaGold, where he was most recently vice-president, strategic development.

"As a director, he has demonstrated the market experience, dynamics and vision that we believe will allow us to successfully advance and maximize the values of the company," said former chairman, president and CEO **Ralph Fitch**.

Fitch remains executive chairman.

The company's stock jumped \$0.05 on the news to close at \$0.42, and remained unchanged at press time. The Vancouver-based explorer is focused on its Bolivian Malku Khota silver-indium-gold project.

Johnson is an exploration geologist by trade with more than 20 years' experience in the mining industry. He began his career with former gold producer **Placer Dome Inc.** and was later involved in the discovery and advancement of NovaGold's Alaskan Donlin Creek gold deposit. jmckay@biv.com

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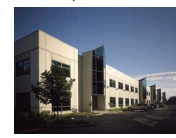
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