

The promised land

BY JEREMY SHEPHERD, NORTH SHORE NEWS APRIL 7, 2013



Development plans are models, computer simulations or drawings before they are concrete and steel. The Onni development at 13th Street and Lonsdale Avenue in the City of North Vancouver has been approved.

Photograph by: graphics supplied, for North Shore NEWS

IS the North Shore the next big real estate play?

That's the question posed at the April 9 Vancouver Real Estate Forum, which, for the first time in its nearly two-decade history is eying up the North Shore as the next investment hot spot.

The forum is slated to include Park Royal Shopping Centre vice-president Rick Amantea, as well as Beau Jarvis, vice-president of development at Onni, which recently won approval for its 344-unit condo development on Lonsdale Avenue in North Vancouver.

The decision to focus on the North Shore was made by a committee of about 20 real estate executives who cited the overhaul of Park Royal, the Seaspan shipbuilding contract and the possible Kinder Morgan pipeline expansion.

Those elements, combined with a scarcity of land south of the Burrard Inlet, have combined to make the North Shore a fertile ground for fresh foundations, according to Mark Stephenson, vice-president at Informa Canada, the company producing the forum.

"Whether they're developing it now or in two years or five years or seven years, they see the North Shore as a very good opportunity for growth and the demand's there," Stephenson says, discussing

developers like Onni and GWL.

But for some residents who find themselves standing in the shadows of skyscrapers, the prospect of more development is just adding rain to the flood

<http://nvcityvoices.wordpress.com/>

Members of North Van City Voices have criticized the City of North Vancouver for exceeding the annual one per cent growth rate set by Metro Vancouver, as well as height and density limits in the city's official community plan.

Just who is buying units and where they live is also a concern for the citizens group, who recently cited dimmed condo lights in Lower Lonsdale as a possible indication of foreign ownership. Empty units drive up housing prices while hampering the city's economy, according to a post on the City Voices' website.

For Stephenson, the approval of Onni's Safeway site proposal and the District of North Vancouver's decision to OK three highrises at the Seylynn development display a demand for new housing.

"These big players, these big developers . . . they've been in this game a long time and they're very, very good at what they do, so they can read the market, they can read the trends, and they know an opportunity when they see one," Stephenson says.

For Michael Geller, the developer behind the recently unveiled coach houses and duplexes at Hollyburn Mews on Esquimalt Avenue in West Vancouver, the risk of flooding the North Shore's real estate market is a concern.

"I've got a market report that implied that if all the projects that were in the pipeline actually got built, you could potentially have a 15-year supply of condominiums," he said. "The mayor and council and planning department in the city of North Van have been quite aggressive in terms of accepting proposals for higher density housing."

Not all the proposals in the pipeline will likely end up being built, Geller added.

For Amantea, who's attempting to steward Park Royal from shopping centre to neighbourhood, an oversupply of housing is not an immediate concern.

"In all honesty, the North Shore is such a desirable place to live and it's close enough to downtown to really make it accessible for people that work downtown, I don't think that we're going to be hitting our head against that glass ceiling for some time," he said.

While the Squamish Nation has yet to draw any surveyor's marks on their valuable strip of land near the Lions Gate Bridge, waterfront condos on the site remain a possibility.

"As we look at residential towers down there . . . there's certainly a demand for it," said Squamish Nation Chief Ian Campbell.

The band is hoping to reap the benefits of Larco's development near Taylor Way and Marine Drive, according to Campbell.

"Their aspiration was to do a couple towers and we've encouraged them to build out the remainder of their lease and maximize the space there so we can collect more lease revenues," Campbell said.

Development at Mosquito Creek is also a possibility, but after a failed referendum in 2012 the project sits in abeyance.

For Campbell, the future of development on the North Shore needs to consider the effect of new infrastructure on Squamish land.

"The two bridges that connect to the North Shore dissect our reserves. They go right through the Seymour Reserve and the Capilano Reserve. Our people have born the burden for decades now of many of the utilities, the sewage treatment plants, the hydro lines, the water lines, they all sort of go through the reserve," he says. "Others are benefiting at our expense."

Nestled between the mountains and the sea, the North Shore's desirability is fuelling development, according to Geller.

"A lot of people who might never have considered living on the North Shore in the past, I think that they're now viewing it quite differently and much more positively," he said.

The District of North Vancouver is currently appraising four village town centres as sites that could conceivably take on dense developments while the city has taken an increasingly innovative approach to infill housing, according to Geller.

Even though the two North Vancouvers have facilitated a boom in recent years, Geller said West Vancouver will likely be insulated from the burgeoning development market.

"West Van has not seen very much development in the last few years," Geller said. "I don't think we're going to see a significant amount of new development in West Van."

One exception may be at 752 Marine Drive where Rick Amantea is hoping to replace the south mall's White Spot with two towers containing between 300 and 320 units.

"Those towers will be providing a variety of housing that is not currently being built in West Vancouver, and probably hasn't been built in West Vancouver within the last 20 to 30 years," he said, describing the young professionals he imagines will be compelled by the development.

"They want to be in smaller condominiums, more affordable environments. They want to be around some action."

Amantea said he's hopeful the proposal will come before district council in the next few weeks.

"I just think that there's some very exciting things happening here on the North Shore and probably some activity that is overdue," he said, discussing the lopsided demographics caused by a dearth of housing options. "There's certainly a bit of a void of young professionals. . . . We see a lot of those people moving outside of West Vancouver."

But where are the jobs ???

Many major developments appear to move slowly. Onni's Safeway site project was approved nearly three years after its 2010 offering was rejected.

In West Vancouver, Grosvenor development group has spent more than a year refining and ultimately shrinking its Ambleside proposal. It has not yet been approved.

A protracted dance with local councils is unlikely to dissuade the more ambitious developers, according to Stephenson.

"Those guys are the pros. They know what's going to work, what's not going to work. They're very educated going in as to whether they have to invest a year . . . or six months or two years," he says. "It's rare when a developer goes in on an investment, not knowing for the most part what their upside is."

Those lengthy processes can sap the endurance of all but the most devoted developers, according to Geller.

"My favourite line from West Van council was the person who said to one of the councillors, 'If we approve Geller's project, we'll be flooded with developers wanting to do the same thing,' and she responded, 'Are you kidding? Do you think anybody else would be foolish enough to go through five years of aggravation for nine units?'" he said.

Some developers expect West Vancouver's close-knit communities to respond to development proposals with kneejerk opposition, but Amantea said that fear is unwarranted.

"I think people underestimate just how open-minded West Vancouver can be," he said, citing historical precedents ranging from British Pacific Properties' 75-year-old subdivision to the high-density waterfront apartments that preceded False Creek and Coal Harbour.

Still, the wheels of council may grind a little slower on the North Shore than the rest of Metro Vancouver.

"You could build bigger buildings and get approvals quicker in a lot of other municipalities within Metro Vancouver," Amantea said.

The deliberate pace of the approval process is meant to ensure new buildings integrate with established neighbourhoods, according to Amantea.

"As difficult as people make it sound to do business in West Vancouver, West Vancouver is an intelligent community and when something makes sense, they will embrace it."

Community amenity contributions will likely be a topic of conversation at the forum, Geller said.

When a developer wants more height, more bulk, or more density than municipal regulations allow, the builder will usually offer a community amenity contribution in the form of affordable housing, housing for seniors, or cash, depending on the needs of the neighbourhood.

For Geller, the charges are often too steep and too reliant on predictions that may prove groundless given the fluctuations of the real estate market.

"It's somewhat ironic and a bit disappointing that West Vancouver and North Vancouver are trying to emulate what we think of as Vancouver's inappropriate method of calculating these payments," Geller said.

Under Vancouver's system, developers pay an approximately 75 per cent fee on any increase in value that results from rezoning. The market is too unsteady for developers to truly know the value of their

property, according to Geller.

"I still don't know today, and I'm not making this up, I don't know today what I'm going to sell my duplexes for at Hollyburn Mews," he said. "Until I sell a few of them, I don't really know what the market value is."

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The Seylynn Village at Fern Street and Mountain Highway in the District of North Vancouver has been approved.

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