



REAL ESTATE ROUNDUP

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Gay men among Vancouver's least favoured tenants; real estate investment sales stall in 2011's first half

Man-sized problem

Trying to find a room to rent is harrowing. With the average age of purpose-built rental units in Vancouver approaching 60 years old, and Canada Mortgage and Housing Corp. reporting regional vacancies running between 2.1% and 3.1% (a slight improvement over the 2010 rate), prospective renters face significant pressure.

Guys are in a particularly hard spot. This columnist was told in his own career as a tenant that male tenants are tougher on properties than women. Given a choice between two single candidates, landlords prefer women.

A new study by UBC sociologists Nathanael Lauster and Adam Easterbrook adds depth to this experience. The duo, noting the bias against men generally, notes that gay men and single fathers are at greater risk of discrimination by landlords. Single mothers



Lawyers first: McCarthy Tétrauit LLP is the first tenant to sign on for space in the 400,000-square-foot office tower Bentall Kennedy is planning to build at 745 Thurlow Street in Vancouver

also face discrimination, while lesbian couples face none.

Writing in the current issue of the journal

Social Problems, Lauster and Easterbrook state that overt discrimination is rare but that gay couples are less likely to receive responses

when inquiring about ads for places outside the West End than renters in other family situations. (The study examined responses to inquiries for suites listed on Craigslist and Kijiji at \$1,700 and less a month; the study itself is available here: bit.ly/r31n05.)

"Same-sex male couples ... were about 24% less likely to receive a positive response from inquiries than heterosexual couples in this study," Lauster and Easterbrook wrote.

Same-sex female couples didn't experience the same phenomenon, which the authors suggest reflects "landlord perceptions that women make better tenants overall."

The study's findings surprised Michelle Farina, director and managing broker of Advent Property Management Services in Vancouver.

"I really didn't think people were doing that anymore," she said of her first response to the study.

Advent doesn't discriminate, she said, and answers all inquiries unless they're significantly out of line with the company's listings, which start at \$1,400 a month.

Farina noted that it's difficult to learn about a potential tenant if an inquiry isn't returned.

She added that gay men seem to take good care of their suites, while single parents, if they're employed,

are often better risks than singles.

"They're not partying on Friday and Saturday nights. They're really happy to pay their rents on time and have a roof over their heads."

And speaking of ability to pay, Advent looks at rental histories and credit scores – "the evidence that says whether they're going to be a good tenant or not."

Investment down

Avison Young reports that investment sales in B.C. in 2011's first six months are well below those in 2010, thanks in part to few willing vendors. A total of 36 deals worth \$5 million or more occurred in the first six months of this year, down from 45 in 2010's first half.

While financing conditions favour buyers, vendors simply aren't willing to let go of assets in a market offering few competitive alternatives for reinvesting the proceeds.

"There's just a huge reluctance to sell," said Michael Gill, principal in Avison Young's Vancouver

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– Michelle Farina, director and managing broker, Advent Property Management Services

office. "The replacement alternatives are very unattractive, and if you want to get back into real estate generally or acquire a property that's comparable to what you just sold, you have to ask yourself why you would sell in the first place, because you can't find anything to replace it."

While deals are still happening, Gill doesn't expect the tally for 2011 to reach the 99 deals seen in 2010.

"There are still going to be properties [sold] in the latter half of the year," he said. "There will just not be as many trade as typically

do and they will be difficult to find."

Secondary markets stand to see greater investment activity as investors seek deals at attractive prices and with greater potential returns.

White Rock REIT bought the Lansdowne Village mall in Kamloops for \$40 million, for example, the largest retail transaction of the year. Gill expects more transactions of this sort in the second half of the year. CB Richard Ellis has the listings for Penticton Plaza and the Rona property at in Penticton, while Cushman & Wakefield Ltd. is marketing investment properties in Vernon and Williams Lake.

Lawyered up

McCarthy Tétrauit LLP is the first tenant to sign on at the 400,000-square-foot office tower BC Investment Management Corp. and Bentall Kennedy LP plan for 745 Thurlow Street.

The law firm will occupy the upper portion of the building, which will have 365,000 square feet of office space and 35,000 square feet of retail when it opens in 2015.

Musson Cattell Mackey Partnership's design for the tower offers progressively larger floor plates from the third floor up, starting at 15,000 square feet and running to 21,000 square feet.

While smaller tenants are targeted with sleek, 8,000-square-foot floor plates at Oxford Properties Group's project at 1021 West Hastings Street, Bentall Kennedy executive vice-president Tony Astles believes there's room for space catering to larger tenants, too.

"This is a constrained market with few options for tenants to grow," he said. "The floor plate at 745 [Thurlow] accommodates the average-sized tenant and the large tenants we have here."

The design reflects Bentall's experience at developments such as Broadway Tech Centre adjacent to Renfrew SkyTrain station and will seek LEED Gold certification when complete. ■

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Delta

EXPRESSION OF INTEREST Ladner Waterfront Revitalization

The Corporation of Delta is seeking creative proposals for the use of the Seven Seas building and surrounding Delta-owned Chisholm Street properties on the south side of Ladner Harbour.



⇒ Project Page: www.corp.delta.bc.ca/ladnerrevitalization



Refer to the Ladner Waterfront Revitalization Project Page for Expression of Interest submission guidelines, background documents and contact information.

⇒ Closing Date: September 30, 2011



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