

Georgia's on his mind

Despite delays and a real estate market spooked by Millennium Water woes, Bruce Langereis on track to finish \$500 million Hotel Georgia renovation and 50-storey tower construction by 2012

By Glen Korstrom

The economic downturn and resulting sluggish real estate market have whipped up unjustified fears about the viability of new Vancouver real estate projects, according to the CEO of Delta Land Development Ltd. Bruce Langereis, who is renovating the historic Hotel Georgia and building a 50-storey tower behind the hotel at the northwest corner of Howe and Georgia streets, believes that a steady stream of media coverage about the empty "ghost town" that is the Millennium Water development has unfairly added to the anxiety and made some buyers unnecessarily skittish.

"It's a mistake to generalize about real estate," he said. "What's happening in downtown and Coal Harbour is not the same as what's happening at the Olympic Village."

Langereis is on track to complete his \$500 million project to restore the Hotel Georgia, once the favoured haunt of Hollywood glitterati, and build an adjacent tower with 12 floors of office space and 35 floors of residential units by 2012.

Half of the project's 156 residential units remain available, Langereis said, adding that the lion's share of sold homes came in the project's pre-sale phase prior to the global economic meltdown.

Avison Young principal Matt Walker said office sales in the development have been brisk. He estimated that about 80% of the project's office units are under conditional contracts to be sold by the end of January 2011.

Meanwhile, entrepreneurial chef David Hawksworth plans to open his Hawks-



RICHARD LAM

Chef David Hawksworth: West's former chef hopes to open his Hawksworth Restaurant in the renovated Hotel Georgia in mid-January

worth Restaurant in the hotel in mid-January 2011. Hotel guests will be able book rooms starting in mid-March.

Office occupancy in the development will likely start by February 2011, but the residential units probably won't be occupied until early 2012.

The project is roughly one year behind schedule, even though work never stopped after the project broke ground in 2008. Much time and resource was spent excavating and building the eight-storey underground parkade. Plans to rent suites in the hotel during the 2010 Winter Games consequently had to be moth-balled.

Langereis said those plans might have come to fruition had his team agreed to fast-track the project.

"We were faced with the scenario that if we wanted to move heaven and Earth to

make it work, we could," Langereis said. "But was that prudent and practical? No. The price for failure would have

"The price for failure would have been catastrophic in terms of reputation"

- Bruce Langereis, CEO, Delta Land Development

been catastrophic in terms of reputation. Rather than risk not being able to pull it all together - and it is a complicated project - we chose the high road to say, 'We're just going to do this in a more measured way.'

Financing was not an issue, although there were shake-ups

in the project's vision.

Langereis' team decided part-way through to change floor plans, suite layouts and the company contracted to manage hotel operations.

The old hotel's 313 guest rooms were originally to be enlarged to become 170 suites that would be managed by the Valencia Hotel Group of Houston, Texas.

When Rosewood Hotels and Resorts signed on to manage the venue, the Dallas, Texas-based company enlarged the rooms even more. Now the plan is for 154 suites that have a more classic look.

The decision to invite Hawksworth to open a restaurant came in 2007, when Langereis and former Vancouver Canucks defenceman Willie Mitchell and their wives dined at West Restaurant, where Hawksworth manned the kitchen.

Mitchell had been badgering his buddy Hawksworth for a fish soup recipe, and Hawksworth told him to come to the restaurant.

Langereis and Hawksworth immediately hit it off and within a month the two signed a deal for Hawksworth to fill the 7,000-square-foot restaurant on the ground floor of the 83-year-old hotel.

Hawksworth's plans for the facility include a 30-seat bar, 90-seat main dining room and 70-seat private room. There will also be about 26 seats in an adjacent café.

"People can come into the restaurant multiple times and each time visually it will be different. Different rooms will have a different look," Hawksworth told *Business in Vancouver* while sipping a coffee at Caffé Artigiano on Hornby Street and looking up at the tower being built behind the Hotel Georgia.

"I really want to focus on people coming to the restaurant multiple times. We're going to be priced in that category," said Hawksworth, who grew up in West Vancouver, graduated from high school in the West End and spent a decade in Europe working his way up into the kitchens of top-ranked restaurants.

He said diners can expect multi-course lunches for \$28 and six-course dinners for \$70.

Hawksworth said he has invested "millions" of his own money in the venture. He has been running a catering business out of a leased kitchen in the Sheraton Wall Centre since he left West in late 2007 and plans to continue that business after his kitchen lease expires at year's end. ■ gkorstrom@biv.com

BRIEFS

Majority of Canadian small businesses unaffected by recession: RBC

Recession? What recession? That's the sentiment from a majority of small businesses in Canada, according to a new RBC poll.

More than half (56%) of Canadian entrepreneurs say the recession had either no impact or was even positive for their business. A wider majority (72%) are optimistic about their business success during the next year even though nearly 60% of small-business owners don't think the recession is over.

Nevertheless, 23% said they would add staff over the next year, given the majority (63%) believes the outlook for the Canadian economy is positive.

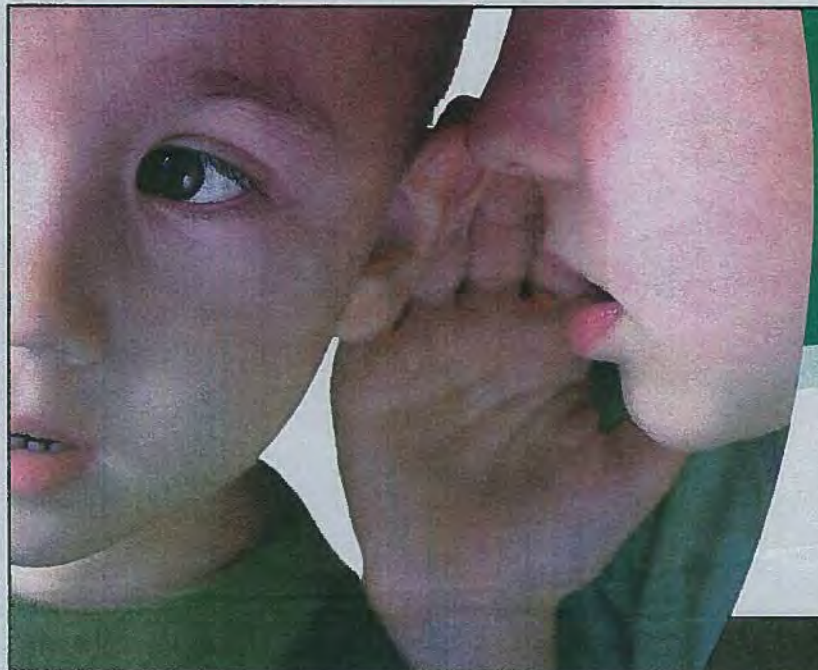
The challenges facing small businesses include finding clients and developing their market (22%), keeping a steady workload (13%) and maintaining sufficient cash flow and financing growth (11%).

Of the 36% of entrepreneurs that suffered because of the recession, 72% said the main impact was a decline in sales revenue and 54% cited fewer business opportunities during the downturn.

Those that made mistakes over the past two years say they should have done more networking or been more aggressive in soliciting clients. Two-thirds said they should have been more proactive in seeking advice, and 54% said they should have developed a better business plan.

The RBC report also noted a few small-business trends over the past few years. It found that the percentage of women entrepreneurs rose to 52% in 2010 compared with 44% in 2007.

rchu@biv.com



You would have to start seriously early to build the kind of network we have



Call us for Smart Flexible Staffing • 604-682-8367 • www.angusone.com

Vancouver's #1 Employment Agency