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REAL ESTATE | Safeway's proposed towers don't jibe with Burnaby vision

Council says highrise marketing 'not consistent' with city's low-rise plan

BY BRIAN MORTON
VANCOUVER SUN

Canada Safeway is marketing a prime 17-hectare Burnaby property for multi-family residential development that includes highrise buildings, despite the city's assertion that no towers can be built on the site.

Burnaby council issued a statement saying that Safeway's vision for the land — which includes seven highrise buildings, according to a conceptual drawing it drew up for potential buyers — is not in line with the city's vision, which is low-rise residential development of four storeys or less.

A Safeway release said it "offers the opportunity for development of apartments, townhouses or luxury penthouses that would have mountain and city views."

The development site, bordered by 11th Avenue and 14th Avenue, and 15th Street and 18th Street in Burnaby, was formerly Safeway's distribution centre. It was operated by a contractor but closed last year, putting nearly 400 people out of work.

According to Safeway, the property — zoned industrial but designated in 1994 as multi-family residential in the Edmonds Area Official Community Plan — is close to major transportation and transit hubs, shopping and schools, and is one of the largest undeveloped pieces of urban land with multi-family potential in southwest B.C.

Estimates suggest there is potential to develop up to 1,500 residential units on the property.

Safeway has not put a price on the property but says BC Assessment has valued it at \$81.5 million in its current industrial use. Safeway also said there has been considerable interest from both national and international developers.

The land is an "extremely unique piece of property" and potential buyers have until July 5 to put forth bids, said Betty Kellsey, Safeway's national media relations manager. Kellsey said she sees nothing wrong with marketing the land showing highrises on the property, arguing that it's "consistent with the surrounding



Estimates suggest there is a potential to develop up to 1,500 residential units on a 17-hectare Burnaby property owned by Safeway.

communities," which include highrises.

"What we've presented are conceptual [drawings] only and the new purchaser would work with the city of Burnaby to develop exactly what the finished community would look like," she said. "There are other highrise towers located in close proximity and we've presented a conceptual drawing consistent with that. Potentially, it's what this portion of land could look like."

The City of Burnaby said in a recent notice that it has received many inquiries about Safeway's marketing materials suggesting highrise redevelopment.

"To clarify, this Safeway vision is not consistent with the city's adopted plan for the area, and was not shared with city council or staff prior to its release," the city said. "In fact, the site is currently zoned industrial and

the city's council-adopted community plan for the Edmonds Town Centre designates it for low-rise multi-family residential redevelopment."

Under the community plan, all buildings would be no higher than three or four storeys, said Burnaby's director of planning and building, Basil Luksun.

Asked why Safeway would promote highrises, Luksun said: "I really don't know. It's a vision they've put out [and] it's caused quite a bit of confusion. It has no status."

Luksun said the plan could be changed, but that a full public process is required.

Luksun also said that Burnaby offered to help Safeway create a vision for marketing purposes, "but they chose not to do so."

Kellsey said Safeway explored many options, including developing the land itself, and met with the city of

Burnaby several times to discuss redevelopment.

Land zoned for residential development is typically worth considerably more than industrial-zoned land, "and the higher the density, the more valuable the land," said Cameron Muir, chief economist for the B.C. Real Estate Association. He couldn't be more specific about the potential value of the Safeway property.

Muir said it's not out of the question that highrises could eventually be built on the Safeway property, because most developers try for bonus densities. "Often you'll see higher densities [granted], provided certain public amenities are constructed [by the developer]."

Meanwhile, rezoning the Safeway lands to residential is appropriate for the area and not seen as a big hit to the city's industrial base, Avison Young

associate Kyle Blyth said in an interview.

"It's a loss, but it's not like taking [17 hectares] out of a traditional industrial hub," said Blyth, whose company specializes in commercial real estate. "The property has a specific use and it would be difficult to reoccupy it by another tenant. It's an industrial node within a residential area."

Avison Young released a report earlier this year saying that demand for industrial real estate in Burnaby is generating record-setting transaction and dollar volumes in 2011.

According to the report, the demand is fuelling construction of new industrial space and the Burnaby market registered more than \$63 million in transactions in the first quarter of 2011.

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