

Tri-Cities: transit, land forge suburban power centre

CLOSE-UP | Coquitlam, Port Coquitlam and Port Moody have the land, the transit and the critical mass to create an investment destination

By **FRANK O'BRIEN**
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Coquitlam, Port Coquitlam and Port Moody/Anmore form the Tri-Cities, an area with the land, the population growth and the type of open-for-business leadership that is creating a powerful economic base in the Lower Mainland.

Taken together, the region represents the third-largest population in Metro Vancouver, with 220,000 residents.

Each of the cities, however, has its own trump cards to play: Coquitlam has the best transportation links and largest population; Port Moody/Anmore boast transit and a massive land inventory; and Port Coquitlam has the lowest housing costs and a nimble administration taking full advantage of its key location for commercial developers.

Coquitlam

A drive along the Coquitlam corridor for the Evergreen Skytrain extension is to drive through a non-stop construction zone, from the Louheed Town Centre through Burquitlam to the Coquitlam City Centre.

Unlike earlier SkyTrain lines, where development was slow to start and remains spotty,

developers and the City of Coquitlam were on board early to take advantage of the \$1.4 billion Evergreen. In 2012, a transit-oriented development strategy was already in place, with specific plans for higher-density housing and mixed-use commercial projects within 400 metres of the transit stations.

Innovative residential zoning now allows laneway housing on the city's large single-family lots and the high rise density quickly attracted some of B.C.'s biggest developers.

These include:

Bosa Development's 195-unit Westwood Village complex in the City Centre; **Cressey's** M3 residential towers, with a total of 313 units; Bosa's Uptown with two residential towers and retail; and **Beedie Living's** 26-storey Crown condo tower that starts construction this spring close to the Burquitlam station.

A unique funding arrangement between the province, the City of Coquitlam, **Morguard Real Estate Investment Trust**, which owns Coquitlam Centre mall, and residential developers was used to cover the \$28 million cost of an extra stop, the Lincoln station, on the Evergreen.

"We wrote a cheque for 50 per cent of the land lift," said Hani Lammam, vice-president of development and acquisition with **Cressey Development Group**, which is completing three high



The \$1.4 billion Evergreen SkyTrain rapid transit line opens next year and has already triggered the biggest building boom in Tri-City history.

| TRANSLINK

rise residential towers and a nine-floor office complex near the Lincoln station. Money well spent, Lammam believes. "Transit is crucial," he said.

In all, 4,790 new homes have started in Coquitlam since 2012, including nearly 1,600 last year alone. Total building permit values of residential and non-residential have topped \$1 billion since 2012.

Current commercial construction includes **Onni Group's** Oasis, at 250,000 square feet; Bosa's 320,000-square-foot Evergreen project; and Cressey's 20,000-square-foot retail complex, all at City Centre; and Beedie's Austin mixed-use tower

that includes 37,000 square feet of office/retail space.

With the opening of the expanded Port Mann Bridge and related Highway 1 upgrades, Coquitlam has cemented itself as an industrial hub.

The industrial vacancy rate is in the 3.6 per cent range and net lease rates average \$4.20 per square foot, slightly higher than in Burnaby, its bigger neighbour. There is about eight million square feet of industrial space in Coquitlam, but industrial deal volumes were running at \$4 million a month through 2014, according to **Avison Young**.

Bare land is virtually non-existent, with the only major new industrial projects in the pipeline the addition of some flex industrial as part of Beedie's on going Fraser Mills project.

Port Moody

By the summer of 2016, the first Evergreen trains will be pulling into the Inlet Centre station in Port Moody.

And overlooking the transportation hub opening up around the same time will be Onni Group's nine-storey office tower in Suter Brook Village.

Once completed, the building located at 220 Brew Street will have 25,000 square feet of commercial space and 140,000 square feet of office space on the



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Locate Your Office on the Evergreen Line

The \$1.4B Evergreen Line project, slated for completion in summer 2016, is driving investment and development into the Burquitlam, Lougheed and City Centre areas of Coquitlam. The extension of SkyTrain rapid transit will enable residents and businesses to connect quickly with communities across Metro Vancouver.

- Transit-Oriented Development Strategy guiding development to maximize opportunities around station areas.
- Opportunities for mixed use and office development near residential areas and amenities.
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- Open, accessible, progressive municipal government.

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Above all...

Coquitlam



Michael Hind (Tri-Cities Chamber of Commerce), Mike Clay (Port Moody mayor), Brendan Yee (development manager with Onni), and John Middleton (VP of retail leasing for Onni) at the groundbreaking of a nine-storey tower on Brew Street in Port Moody.

BY JEREMY DEUTSCH/TRI-CITIES NOW NEWS

top eight floors. "With the Evergreen Line coming in, it's a definite game-changer," said **Brendan Yee**, development manager with Onni. Port Moody Mayor **Mike Clay** said the office tower would never have been built at the Brew Street location without Evergreen.

"Everybody is out looking for office space - their No. 1 thing on their list is [locating] near transit," he said. "This is what we have here." Port Moody and neighbouring Anmore are also on the radar of a China-linked developer, which bought 232 acres in Anmore and

Port Moody from **Imperial Oil** in January.

"This is the last frontier," said Anmore councillor and Port Moody realtor **Ryan Froese**, adding that the 150 forested and mostly sloped acres of Anmore land included in the sale to **Brilliant Circle Group (BCG)** of Vancouver "will prove a challenge for any developer."

Brilliant Group has never developed land before, said Vancouver architect **James Cheng** who is representing the developer and will be the lead architect for any development. The principal of BCG, **David Caiis**, is a Canadian citizen with homes in both Hong Kong and Canada.

It is estimated that the parcel sold for around \$40 million.

The 82 acres in Port Moody include the old Ioco townsite, a waterfront property with a marina at the gates of the Imperial compound. Cheng said his only preconceived idea is to provide some retail in the townsite.

"We have a blank slate," Cheng said. "This is one of the most exciting projects in [Metro] Vancouver. Sites this large are very rare."

Port Coquitlam

Port Coquitlam will not have a direct Evergreen link but its proximity to the stations and underlying strengths - which resulted in the city winning the 2014 Open for Business Award from the **Union of B.C. Municipalities** - make it prime for investors.

The benchmark detached house price in Port Coquitlam is \$588,000, compared to \$778,000 in Coquitlam and \$922,700 in Port Moody. The typical condo apartment price in Port Coquitlam, at \$230,400, is second-lowest in Greater Vancouver, according to the **Real Estate Board of Greater Vancouver**.

Port Coquitlam building permit values last year hit \$130 million, nearly double the pace over the

past seven years. This year two new condo/retail buildings are going up in Onni's Fremont Village; the newly opened Oxford Landing retail and office centre is expanding; and more homes are being built in the Fremont Blue development.

Conwest Developments Ltd. is also expanding industrial in the Riverwood Business Park. Port Coquitlam's industrial vacancy rate is around 4 per cent, with net lease rates of \$3.46 per square foot.

Part of Port Coquitlam's lure for developers is lower development cost charges than in neighbouring Coquitlam, according to **NAIOP**, a developer industry organization, though they are well above Port Moody, which has the lowest development cost charges in the Lower Mainland. ■

Total Building permit values (millions of dollars)

	2013	2014
Coquitlam	\$347.3	\$351.5
Port Coquitlam	\$71.7	\$130.6
Port Moody	\$7.8	\$19.6

SOURCES: CITY OF COQUITLAM, CITY OF PORT COQUITLAM, CITY OF PORT MOODY

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