



From the EO's Desk

Proposed changes to the Agricultural Land Commission and the Agricultural Land Reserve always bring about discussion in British Columbia. The question in my mind is not will these changes affect us, but how will these changes affect us. The article by Bonnie Knight of BCAA gives us great background on the ALR and the proposed changes to the Agricultural Land Commission Act, and Agriculture Minister Norm Letnick describes the consultation process that has been underway across the province. Richmond Councillor Harold Steves notes that food may become an even bigger issue since we'll need more of it—not less—in the future, and Kevin Boon of BC Cattlemen's Association cautions us about potential conflicts that can arise when residential properties are located beside working ranches and farms.

(You will notice that we do not have an article from the ALC. We asked for their participation but did not receive a response, unfortunately.)

What about land reserves of other types? Does the Lower Mainland need an industrial land reserve? NAIOP provides some insight into this question. And to stretch our minds a little further on the idea of land reserves and—by extension—urban containment boundaries, consider Wendell Cox's argument that restricting urban sprawl makes housing unaffordable.

In this edition we also bring you up to date on the happenings at the AGM and Recognition Dinner and introduce you to the new Governors. There are five new Governors for you to meet and I look forward to working with them in the coming year.

This year's golf tournament was another huge success and I have to thank the committed volunteers on the Golf Committee that work hard each year to do even better than the year before. It is no small task!

We will be holding our 2015 Education Symposium in March of next year. Watch for registration and be sure to register early as there will be a limit on the number of participants we can have.

I hope you enjoyed the summer, and I hope you have a fabulous fall!

Bondagbuttam

Brenda Southam, CAE Executive Officer

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President's Message

Contents

FALL 2014

Welcome to the Fall 2014 edition of Input, my first as President since beginning my term in July. I hope everyone had an enjoyable summer and I'm excited to work with all of you this year.

Perhaps our greatest strength as an organization is the diversity of our membership. A review of our recent membership additions underscores how fortunate we are to have members join from throughout the real estate industry. The Board is busy preparing for our annual strategic planning session in late September, and I expect a renewed focus on protecting and growing this valued membership base. Continued diligence in ensuring we provide rewarding learning and networking experiences will also be a central theme.

Since the last edition of *Input*, many of you have attended events put on by REIBC and in conjunction with our partner organizations. In May, we partnered with AICBC, PIBC, BCSLA, and BCIA to bring you the Land Summit, attended by over 700 delegates. An incredible line-up of keynote speakers, including astronaut Chris Hadfield, along with the varied breakout sessions and the cocktail party at the Vancouver Aquarium ensured a rich learning environment and vibrant networking experiences.

In June, REIBC hosted our AGM and annual Recognition Dinner. I had the pleasure of presenting our long-term members with their recognition certificates, and the impressive group of recipients underscores the immense contributions our members make to the industry. The very next week, the Institute hosted the Annual Charity Golf Tournament benefitting the Make-A-Wish Foundation. The tournament has raised over \$420,000 for charity since its inception and I look forward to presenting the 2014 cheque very soon.

Preparations are underway for the 2014 President's Luncheon being held December 4. Last year we set a record with over 165 people in attendance. This year our guest speaker is Shayne Ramsay, CEO of BC Housing. I look forward to seeing you there.

Jason Grant, RI President



5	Bill 24: Ensuring a Strong Future for
	Agriculture in BC
	By Norm Letnick, Ministry of Agriculture

8	The ALR, Legislative Change, and
	Market Value
	By Bonnie Knight, RI, BC Assessment

- 11 **CHAPTER REPORT: Nanaimo** By Nancy Skeels, RI, Nanaimo Chapter
- 12 Food, Farming, and the Future of the **ALR** in Richmond By Harold Steves, City of Richmond
- 16 ASK A LAWYER: Bill 24: Changes to the ALC Act By John McLachlan, RI, Lex Pacifica Law Corporation
- 18 A Little Piece of Paradise: The Reality of Rural Living By Kevin Boon, BC Cattlemen's Association
- 21 Calendar of REIBC Events
- 22 ANNUAL GENERAL MEETING AND RECOGNITION DINNER
- 24 **BOARD OF GOVERNORS**
- 27 Urban Policy Review: A View from the Outside By Wendell Cox, Demographia
- 31 Metro Vancouver's Industrial Land Base By Chris MacCauley, CBRE Limited
- 34 **NEW MEMBERS**
- 35 CAREER NOTES: Commercial Development By Nathan Worbets, RI, Morguard Investments Limited
- 36 REIBC's 21st Annual Charity Golf **Tournament** By Rob Reichelt, RI, RDR Financial Services Inc. and Richard Sirola, RI, Sirola Services, Inc.
- 40 MEMBER PROFILE: Judi Whyte, RI
- 41 **DIRECTORY: Associations and Services**

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Bill 24:

Strong Future for Agriculture in BC

This spring, the BC Government passed Bill 24, the Agricultural Land Commission Act (ALCA), to help farmers grow their businesses and earn a better living while preserving BC farmland for future generations.

We began the process with the clear starting point of two priorities:

- 1. The ALC must remain a fully independent tribunal and decision maker, and continue to make final decisions on specific land uses within the Agricultural Land Reserve.
- 2. BC's farmland must be preserved to ensure a sustainable land base for production and a strong future for farming.

The legislation achieves these things by clearly laying out the Agricultural Land Commission's (ALC) role as an independent decision maker and ensuring it has all of the necessary tools at its disposal to continue making the independent decisions that British Columbians have counted on it to make for more than 40 years. We also introduced some changes that could enhance the agrifoods sector and the lives and incomes of farming families.

Hohourable Norm Lethick, B.Comm, MBA Minister of Agriculture

Norm Letnick was appointed Minister of Agriculture on April 11, 2014. Norm is also a member of the Treasury Board and Legislative Review Committee, as well as Vice-Chair of the Cabinet Committee on Strong Economy, and is also significantly involved in Francophone Affairs-related matters and Intergovernmental Affairs, including relations with the consular corps. He previously served as Minister of Agriculture from 2012 to 2013, and has served as Chair of the Select Standing Committee on Health, Select Standing Committee on Finance, and Select Standing Committee on Public Accounts. He has extensive business experience and has served his community through numerous organizations. Norm remains active in his home community of Kelowna where he lives with his wife and three children.



Our goal was simple: to hear people's thoughts about the implications of what has been suggested, and gather the best ideas possible to help farmers earn a living on their land and ensure there's another generation ready and willing to get into farming.



The bill created two ALC-administered zones to better recognize the province's regional differences: Zone 1, where land is in greater demand and there are development and population pressures, and Zone 2, where generally the growing seasons are shorter and there are lower-value crops. In both zones, the priority criterion remains whether the ALC considers the proposal to meet with the purposes of the commission, namely preserving agricultural land, encouraging farming, and enabling farm use on agricultural land. In Zone 2, however, the ALC must now consider additional factors in its decision making as well as provide farmers with more flexibility to support their farming operations.

The Act also formalized the ALC's existing model of six regions and six regional panels into law, to strengthen regional decision making and to give local governments the opportunity to engage with the ALC earlier in their land use planning processes to ensure better coordination and more timely decisions.

To improve services to farmers, the commission's operations are also being enhanced. This includes establishing governance and accountability frameworks and service standards, consistent with other government boards, agencies, and commissions, as well as filling staff vacancies.

When I was appointed Minister of Agriculture I made a commitment that we would consult on the development of the regulations. Throughout July and August of 2014, my ministry delivered on that commitment by consulting on the potential development of new regulations related to the *Act*.

At the outset of the consultation process, a Minister's Reference Group comprised of representatives from the ALC, the Union of BC Municipalities (UBCM), and industry was struck to inform the consultation process and any regulatory outcomes. An initial meeting of the Reference Group was held in early July to provide advice on the consultation process and to provide substantive input on the consultation questions, and was followed by a separate meeting with the ALC (commissioners and staff) to solicit further input on the consultation questions.

Informed by those meetings, 11 specific questions were drafted:

- Should the parameters for allowable on-farm food storage, packing, processing, and retail establishments be revised?
- 2. Should breweries, distilleries, and meaderies be allowed on ALR land on the same or similar terms as wineries and cideries are currently allowed?
- 3. Should the allowable footprint for consumption areas (lounges) ancillary to wineries and cideries (and potentially also breweries, distilleries, and meaderies) be increased, and if so, on what basis?
- 4. To what extent should wineries and cideries (and potentially breweries, distilleries, and meaderies) be allowed to sell alcohol that was produced elsewhere in BC, not at the winery or cidery?
- 5. Should anaerobic digesters be permitted in the ALR if the inputs are generated from farming activities?
- 6. Should on-farm cogeneration facilities be permitted on farms where a portion of the energy created is used onfarm?
- 7. Should the parameters be expanded for when non-agriculture-related businesses are allowed to operate on ALR properties in Zone 2?

- 8. Should the subdivision of ALR properties in Zone 2 to a minimum parcel size of a quarter section be allowed without an application to the ALC?
- Should the subdivision of ALR parcels in Zone 2 that are of a defined size and that are divided by a major highway or waterway be allowed without an application to the ALC?
- 10. Should greater clarity be provided on what constitutes an agri-tourism activity that is allowable in the ALR without an application, and if so what parameters should be established?
- 11. Should temporary leases of portions of a property in Zone 2 of the ALR be allowed without an application to the ALC for: (a) intergenerational transfer of an active farm or ranch operation; and/or (b) to encourage the use of otherwise unfarmed land by existing or new farmers?

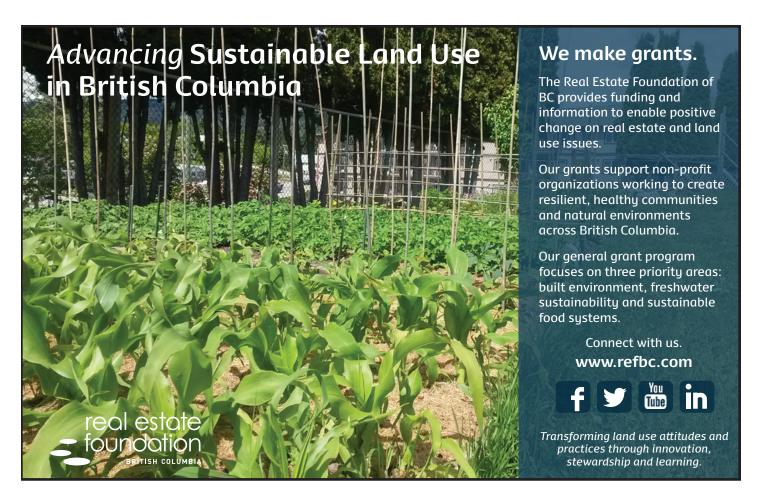
In July and August of this year, Ministry staff, accompanied by representatives from the Agricultural Land Commission, met with key members of the agricultural community and local government representatives in the six regions around the province for discussions framed by these 11 questions, to hear their feedback and ideas. All British Columbians were invited

to comment on the same 11 questions through the provincial website (http://engage.gov.bc.ca/landreserve/), which was open for comment until August 22.

Our goal was simple: to hear people's thoughts about the implications of what has been suggested, and gather the best ideas possible to help farmers earn a living on their land and ensure there's another generation ready and willing to get into farming.

I want to thank all the British Columbians who took the time to participate and get involved and who contacted me with their ideas and input. I'd also like to thank the ALC, whose input and experience was invaluable throughout this process, for their assistance at the regional sessions, as well as the members of the board of the BC Agriculture Council, other industry representatives, members of the Union of BC Municipalities, and MLAs who attended these sessions as observers.

We believe giving farmers more opportunities to grow their farming businesses is a benefit to them. We also think it's a benefit to British Columbians who want access to more BC-grown foods. I was pleased to hear so many ideas and opinions, and am confident that together we will help ensure a strong future for farming in British Columbia.





The Agricultural Land Reserve (ALR) is a special land use zone in which agriculture is recognized as the priority use. Farming is encouraged and non-agricultural uses are controlled. Administering the ALR is the responsibility of the Agricultural Land Commission (ALC).

BC's Land Commission Act came into effect on April 18, 1973. The Province of BC appointed a new commission that established, in partnership with local governments, a special land use zone (the ALR) to protect BC's dwindling supply of agricultural land. Prior to the creation of the ALR, government figures estimated that 6,000 hectares (15,000 acres) of prime agricultural land was being lost to urban non-agricultural development each year.

The boundaries of the ALR were determined based on the capability and suitability of the land, its current use, local zoning, and input from public hearings. ALR plans for 23 of BC's 28 regional districts were completed by 1975; in total they protected the 5% of BC that was considered most critical to the province's food production.

There were many opponents to the creation of the ALR, including some of the land owners the government was intent on helping; many opponents were farmers whose property values were negatively affected because of the establishment of the ALR.

Since the Land Commission Act was passed, various governments have amended the Act, both expanding and limiting various powers of the Agricultural Land Commission. Over the years the commission has initiated reviews of ALR boundaries and has continued to refine ALR boundaries all over BC as part of ongoing review of community plans and land use applications.

Today, the ALR covers approximately 4.7 million hectares (about 5% of BC's land base) and comprises those lands in BC that have potential for agricultural production. There has been little change in the number of hectares included in the ALR since its creation in 1973. It should be noted that while the size of the ALR has changed little over time, the composition has changed. The ALR has lost land in the more productive southern part of the province while gaining less productive farmland in northern BC. Currently, 10% of the land in the ALR produces 85% of BC's farm cash receipts (FCR) and 3% of the ALR—located in the South Coast region—produces 66% of the province's FCR.

RECENT LEGISLATIVE CHANGES

On March 27, 2014, the Province of BC introduced Bill 24, the *Agricultural Land Commission Amendment Act*, 2014. There are three main changes proposed:

- Increase opportunities for farmers to earn a living and continue farming their land:
 - In consultation with the ALC, BC's agricultural industry and the Union of BC Municipalities, amendments will be considered to current regulations to allow new, limited, value-added farming activities, such as food processing, on farmland.
 - The creation of two zones will better protect in-demand land in Zone 1, which will remain status quo, while offering the ALC more flexibility in its decision making in Zone 2. The ALC will continue to apply its discretion in making final decisions on specific land uses.
 - To better support farmers and farm families and ensure they can continue farming their land, in Zone 2 only, the ALC will be given broader flexibility to consider nonagricultural home-based businesses. Acceptable uses will be determined through regulation in consultation with the ALC, the agricultural sector, and UBCM.
- 2. Recognize BC's regional differences to better support farming families:
 - The ALC's existing model of six regions and six regional panels will be formalized, with regional panels making decisions for their specific regions.

- Two ALC-administered zones will be established:
 - Zone 1 will include the Island, South Coast, and Okanagan panel regions.
 - Zone 2 will include the Interior, Kootenay, and North panel regions.
 - The ALC's role of protecting land in both regions does not change.
- 3. Improve land use planning coordination with local government.

The announcement of Bill 24 and the proposed changes have been met with considerable opposition. As a result, on May 6, 2014, Agriculture Minister Norm Letnick released a statement introducing amendments to the Bill, which take into account the written feedback of British Columbians and incorporate input gained from meetings with leaders in BC's agricultural sector.

The ALC's chair or regional panel will be allowed to refer applications to the ALC's executive committee, if the chair determines that a decision could have a substantial impact on the ALR. The executive committee consists of the chair and the six vice-chairs, one from each region. Criteria will be clearly defined in regulation and could include, for example, applications with interregional significance and those with major land or large infrastructure considerations, and new types of applications that have not been considered before. The panel will determine when new types of applications are best heard by the committee.

Bill 24 will clearly outline, in priority order, the criteria the commission must consider in all land-use decisions in Zone 2 (North, Interior, and Kootenay). This priority list will begin with whether the ALC considers the proposal to meet with the purposes of the commission, namely preserving agricultural land, encouraging farming, and enabling farm use

Bonnie Knight, RI

Deputy Assessor, BC Assessment Valuation Service Division

Bonnie Knight began her career with BC Assessment in 1981. She is currently a Deputy Assessor in the Assessment Valuation Service Division at the Uptown (Head) Office in Victoria. Prior to moving to Victoria in January 2013, she worked in the Fraser Valley Office as a Senior Appraiser. She has extensive experience in the assessment of residential, multifamily and IC&I property types. Bonnie has been a member of REIBC since 1996 and has served as Chapter Director and Governor.



on agricultural land. All other factors will follow in descending order of priority. This change is intended to confirm that the ALC's mandate remains the preservation of farming and to ensure that panels make decisions in the best interests of agriculture.

ALR AND MARKET VALUE

Ever since the creation of the ALR, there have been critics that insist it should never have been established. The argument is that the ALR is an unfair limitation on what private landowners can do with their own land and that a free market should be allowed to determine the best use of land.

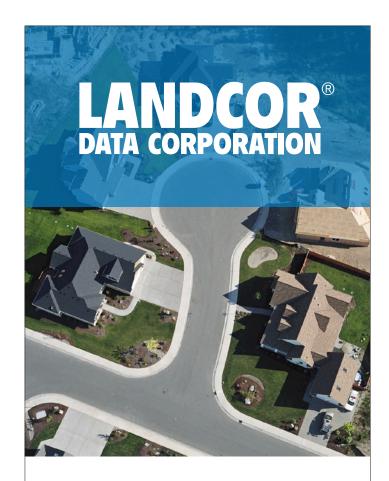
Supporters of the ALR feel it is the job of the ALC to protect agricultural land and agricultural businesses.

It has also been suggested that the ALR has weaknesses. Landowners can apply to have land removed from the ALR and may make a considerable profit if they are successful in obtaining an exclusion. This is a significant problem with the ALR. An owner of land that could potentially sell for a higher price per acre (for example, land that is adjacent to an industrial development) if excluded from the ALR will be tempted to have it excluded.

The potential to have a property excluded from the ALR may have an impact on its market value. Regulations that restrict use (zoning, for example) contribute to determining the market value of the land; this applies to all land, whether it is in the ALR or not. Land zoned for residential use has a different market value than land zoned for industrial or commercial use. However, the market value for land within the ALR, on a price per acre basis, is typically lower than land excluded from the ALR due to the ALR's additional restrictions on subdivision and development.

Edge properties—those ALR properties on the periphery of a development area—are assessed based on the sales of comparable properties. An application for exclusion for an ALR property may (or may not) have an impact on the market value of neighbouring properties (or the potentially excluded property). How the market responds will determine if there are any changes in assessed value. If the property was successfully excluded from the ALR and was in a development area then the assessment would reflect the same valuation as other excluded properties, taking into consideration any unique characteristics that may affect the value of the property.

The effect, if any, on ALR land values as a result of Bill 24 are yet to be determined.





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CHAPTER REPORT: NANAIMO



This spring the Nanaimo Chapter held a Pub & Conversation Night with the Appraisal Institute of Canada. Members enjoyed a relaxed setting while they listened to presentations from Tilray, BC Assessment, and the City of Nanaimo.

On April 1, 2014, Health Canada approved individuals to access cannabis for medical purposes from approved licenced producers. As a result, Tilray opened a new, cutting-edge medical marijuana facility in an industrial area of Nanaimo. Tonia Winchester, Director of Tilray, gave an overview of the 347,000-square-foot facility, the permits they required to start their company, the land's rezoning application, and the covenant they entered into with the City of Nanaimo to not apply for farm classification for assessment purposes.

BC Assessment discussed Class 9 Farm in the Prescribed Classes of Property set out in the *Assessment Act*. Farm classification carries a significant tax benefit, and to be able to apply for farm classification, a property must produce a primary agricultural product and meet an income threshold. Qualifying agricultural

products are set out in *BC Regulation 411/95*, Classification of Land as a Farm, and medicinal plant culture is a qualifying product. Now that medical marijuana can be grown in a legal framework, property owners growing this product are able to apply for farm classification. Municipalities are figuring out creative ways to stop property owners from applying for farm classification so that they can allow facilities to operate within their boundaries while still collecting maximum tax revenue.

The City of Nanaimo spoke about their recent successes and reviewed some major development projects. Over the last year the City of Nanaimo purchased or received through land exchanges over 230 acres of parkland, and have issued over \$120 million in building permits. They highlighted development projects such the Gordon Street Hotel and the Port Place Mall.

The member turnout was great. It was a good opportunity for networking, meeting new members, and reconnecting with old acquaintances. I'm always open to hearing about your ideas regarding events or if you have opportunities for member involvement. Please don't hesitate to contact me.

Nancy Skeels, RI Chapter Chair, Nanaimo Chapter

After obtaining her Diploma in Urban Land Economics from UBC's Sauder School of Business and RI status, Nancy Skeels was promoted this summer to a Property Agent position within the City of Nanaimo. In her new role she assists with the management of the City's land inventory, right-of-way and property acquisitions, and property disposals. Nancy is on the REIBC Member Services Committee and looks forward to contributing further to the future of the Real Estate Institute of BC.





Food, Farming, and the **Future** of the ALR in Richmond

Currently, 82% of California, the world's ninth-largest food producer, is suffering from extreme drought with water shortages, lower yields, and 500,000 acres of farmland with no yield. Cattle herds have been reduced dramatically in Texas and Arizona. The Prairies have lost a million acres to flooding. It is predicted that two-thirds of Africa could become desert by 2025. Yet we are considering non-farm uses that would take more of our dwindling supply of fertile farmland out of production, flooding 10,000 acres of prime farmland for the Site C Dam in the north, and a Port Metro Vancouver expansion onto another 3,000 acres in the south.

Only 5% of BC is arable farmland. Only 1.1% of BC is prime, Class 1-3 alluvial soil, found mainly in the Fraser and Peace River valleys. When the Agricultural Land Reserve was established in 1973, BC farmland was being lost to development at an alarming rate. The intent of the ALR was to maintain a land base to feed our growing population. Since then our population has grown by 80%. We still produce 60% of our meat and dairy and more tree fruit than we consume. However, in 1973 we produced 86% of our vegetables. Today it is only 43%—exactly half as much.

WE NEED MORE, NOT LESS

This leads to the critical question: Where will we get our food? The BC Ministry of Agriculture analyzed the issue in a report: BC's Food Self-Reliance: Can BC's Farmers Feed Our Growing Population? The report concluded that by 2025, "farmland with access to irrigation will have need to increase by 92,000 hectares

[227,000 acres] or 49% over 2005 levels,"¹ primarily close to urban areas in the Lower Mainland and South Vancouver Island. In the rest of BC we need to increase non-irrigated farmland by a million acres.

Instead of protecting our soil-based agricultural lands, the BC Ministry of Agriculture is now proposing to deregulate the ALR to allow food- and medicine-related industrial uses on farmland. This concerns Metro Vancouver, Richmond, and other cities. Until now, the ALR was intended to preserve farmland, and industrial zoning and even roadside stand bylaws had been the purview of local government.

It's worth noting that when the ALR was deregulated from 1988 to 1991 to permit golf courses, the ALC was flooded with 181 applications.

BC's farm sector produces \$2.5 billion each year. The food processing sector produces \$8.5 billion. If even a fraction of those processing businesses relocate onto farmland, the loss to soil-based agriculture could be dramatic, particularly in Richmond, Delta, and other areas close to Vancouver. With food prices and farm income rising, allowing non-farm uses isn't even necessary. We must find ways to get more land into production.

HELPING OR HINDERING?

Whether industry on farmland even helps farmers depends on whether the new industrial or commercial use is using the products produced on the farm or just building on cheap farmland to sell products produced elsewhere. Take Richmond's wineries, for example. Farm-based wineries must produce 50% of their production on their own farm, or if they have more than five acres they can build on farmland as long as 50% of the product is produced somewhere in BC. One long-time

BC Ministry of Agriculture, BC's Food Self-Reliance: Can BC's Farmers Feed Our Growing Population?, 2006, 2.





Harold Steves Councillor, City of Richmond

Harold Steves is the province's longest-serving municipal politician, having served on Richmond City Council continuously since 1969, except for a one-term stint as MLA in 1973—just long enough to co-found the Agricultural Land Reserve. In 2011, Harold was honoured with the Union of British Columbia Municipalities' Special Long Service award for his (then) 41 years of service. As a director for Metro Vancouver, Harold is Vice-Chair of Planning and Agriculture, and he is Chair of Parks in Richmond. He is also South Coast Director of the Groundfish Development Authority. He owned and operated Back Valley Ranch at Cache Creek for 30 years, and now assists his son who owns the ranch today and operates a grass-fed beef business. Harold owns the smaller but original family farm in Richmond, established in 1877, raising purebred Belted Galloway cattle and heirloom seeds.



The Ministry is considering allowing food processing, packaging and retail, abattoirs, distilleries, breweries, meaderies, anaerobic digesters, and cogenerators on farmland—with similar rules to wineries. These uses would be better located on the poorer soils where the product is produced, not on Richmond's Class I soils.



farmer with a large acreage of blueberries built a farm-based winery to process his own berries and fruit from neighbouring farmers. Another commercial winery that was already located on industrial land in Richmond bought and relocated onto 13.8 acres of farmland. They planted eight acres of grapes, with contracts to buy grapes from farms in the Okanagan to meet their 50% obligation.

The Ministry is considering allowing food processing, packaging and retail, abattoirs, distilleries, breweries, meaderies, anaerobic digesters, and cogenerators on farmland—with similar rules to wineries. These uses would be better located on the poorer soils where the product is produced, not on Richmond's Class 1 soils. Anaerobic digesters and cogeneration could be beneficial if only farm wastes are used, to prevent contamination of the resulting compost from pesticides in domestic waste. However, the Ministry supports the use of domestic waste, and that could also result in larger commercial digesters and nutrient overloading of farm fields with compost.

In addition to expanding non-farm uses, the Ministry is considering expanding the amount of commercial, restaurant, and banquet space to allow a larger building footprint and larger parking lots on farmland.

Metro Vancouver has developed an urban containment boundary to prevent expansion of industry and commerce into the ALR. The proposed new provincial policy is counterproductive to local policy. We don't need to open up our farmland to myriad businesses selling products produced somewhere else. They rightfully belong on industrial and commercial land, where they are now.

Under present rules, businesses can already be located on a farm provided that most of the product is from the farm. The new Ocean Spray processing facility in Richmond was approved under the present rules because it is a co-op of local farms producing cranberries.

Local governments are concerned that expanding commercial and industrial uses into the ALR will necessitate having to provide additional utility, drainage, sanitary, and water services, road improvements, and police services. A row of wineries, distilleries, and breweries with a "happy hour" along Westminster Highway or along No. 6 Road in Richmond might attract tourism, but who is going to pay the extra cost of services that must be provided in low-tax agricultural areas? Ultimately, other taxpaying businesses in the correct zone would have to pay more.

In general, the proposed deregulation of the ALR will bring economic benefits to non-farm uses, but will not improve agriculture.

MEANWHILE, IN RICHMOND...

There are alternatives. In its 2011 *Regional Food System Strategy*, Metro Vancouver proposed the establishment of food hubs and Agricultural Enterprise Zones for businesses and processors that support agricultural and value-added production. Rather than subsidizing businesses with utility services and low taxes on farms, this approach provides financial incentives to encourage new businesses to locate in the appropriate zone.

What local governments would really like is an open two-way dialogue with the Province. Local governments are concerned



that the costs of ALR enforcement will be passed on to the local taxpayer. Metro Vancouver has repeatedly asked the Ministry to enforce the illegal-landfill guidelines and to legislate the house-size guidelines that it itself recommends.

We can have some non-farm businesses on farmland that are truly farm based. However, Metro Vancouver has done an inventory of farmland that is not being farmed, and would like the Ministry to make changes to encourage non-farming landowners to lease land to young farmers and get more land into production.

Richmond would like the Ministry to develop a policy for protecting agricultural lands from being used for port expansion. Port Metro Vancouver has purchased the 216-acre Gilmore Farm in east Richmond and will not commit to farming it.

Richmond has also developed a rezoning policy to keep marijuana and other pharmaceutical plants on industrial land rather than farmland.

At the same time, Richmond has amended its bylaws to include agriculture in parks. It is developing parks at Terra Nova, the downtown Garden City Lands, and Fantasy Gardens to be used for urban agriculture, the Kwantlen University Farm School, and incubator farms for young farmers.

Yes, we can have truly agricultural-based businesses on our farms. But the Ministry of Agriculture cannot stop encouraging soil-based agriculture, which we must have to feed our growing population.



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ASK A LAWYER: BILL 24: CHANGES TO THE ALC ACT

Q:

I thought that the ALR and ALC were in place to protect farmland, but Bill 24 proposes some significant changes to the Agricultural Land Commission Act. It looks like a change in priorities. Can you comment?

The passing of the Land Commission Act in 1973 led to the creation of the Agricultural

Land Commission (ALC) to oversee the establishment and protection of the Agricultural Land Reserve (ALR). The creation of the ALC and ALR was in response to growing concerns surrounding the loss of prime farmland to increasing urbanization and to stabilize the agricultural land base. One of the objectives in centralizing the decision-making process regarding the use of ALR land was to help reduce the pressure on regional governments to make zoning changes to accommodate additional development.

Over the subsequent 40 years, the ALC has striven to preserve the 4.7 million hectares of farmland in the province and, despite boundary changes over that time, that area remains approximately the same. The purposes of the Agricultural Land Commission are set out in section 6 of the Agricultural Land Commission Act and are as follows:

- to preserve agricultural land
- to encourage farming on agricultural land in collaboration with other communities of interest
- to encourage local governments, First Nations, the government and its agents to enable and accommodate farm use of agricultural land and uses compatible with agriculture in their plans, bylaws, and policies

The passing of Bill 24 signals a shift from the government's historical objectives of affording equal protection to all ALR land in British Columbia to a regime that now allows for other criteria to influence land use decisions and to allow for greater

John A. McLachlan, RI, BA, LLB



Lex Pacifica Law Corporation

John McLachlan is a lawyer at Lex Pacifica Law Corporation in Vancouver, British Columbia. His practice is focused on civil litigation with an emphasis on real property matters. John has appeared as counsel before the British Columbia Court of Appeal, the Supreme Court of British Columbia, the Provincial Court of British Columbia, the Federal Court, and various Administrative Tribunals, including the Employment Standards Tribunal, the Property Assessment Appeal Board, the BC Human Rights Tribunal, and the Workers' Compensation Appeal Board.

John represents and advises clients in a variety of areas, including labour and employment, real property assessment, real estate litigation, construction litigation, and commercial disputes.



regional influences regarding changing traditional farmland uses.

Bill 24 divides the ALR into two zones—Zone 1 includes the Island, the Okanagan, and the South Coast, and Zone 2 consists of all other areas in the ALR. Bill 24 also creates six panel regions—the Interior panel, the Island panel, the Kootenay panel, the North panel, the Okanagan panel, and the South Coast panel.

Bill 24 has not altered the process regarding land in Zone 1. For land in Zone 2, however, it has brought in additional considerations that the ALC must consider in all land use decisions. The ALC must now consider all of the following criteria, for Zone 2, in descending order of priority:

- 1. The purposes of the commission set out in section 6
- 2. Economic, cultural, and social values
- 3. Regional and community planning objectives
- 4. Other prescribed considerations

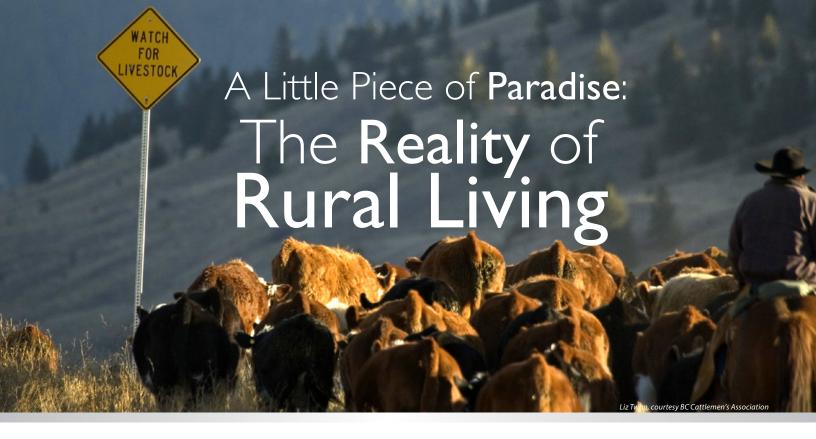
These amendments to the *Agricultural Land Commission Act* result in the creation of a two-tier system for the protection of farmland in British Columbia. Maintaining the historical criteria and principles regarding land use in Zone 1 but diluting those same protections through the inclusion of additional criteria for lands in Zone 2 creates the impression that Zone 2 ALR lands are somehow less deserving of protection. The effects of these changes have the distinct potential for encouraging land

speculation and an influx of applications for non-traditional farm uses on ALR land in Zone 2.

The government's position is that the changes in legislation will allow for greater flexibility for the use of farmland, but it ignores the fact that the dilution of the protections afforded under the *Agricultural Land Commission Act* could potentially lead to a return, at least in Zone 2, to the conditions that existed before the creation of the ALC in 1973, and to the further erosion of farmland in British Columbia. Further, while the changes may well assist farmers in exploring and creating new revenue streams through additional uses of the land, this could well come at the expense of the land being used for grazing and growing crops.

The creation of six regional panels opens the door to allowing regional pressures to influence land use decisions, which is contrary to one of the reasons why the ALC was created in the first place. By mandating that economic and regional planning objectives be considered, the government is making it easier for developers and other non-farming interests to apply for and be successful in removing land from the ALR.

In the coming years, if it is shown that the amendments to the *Act* have resulted in more successful applications for the removal of land from the ALR in Zone 2, we can expect that there will be an increase in speculative purchases of ALR land in that zone, particularly with regard to lands that border the ALR. While this may serve to increase the value of that land, it could potentially lead to the erosion of the agricultural land base in British Columbia and defeat the very purposes for which the ALC was created.



Ranching has a long history of homesteading and pioneering in British Columbia. From the days of the Gold Rush, it has been said that ranchers came to the Interior because of the gold and eventually stayed because of the abundant grasslands. Ranching pioneers are credited with settling many of British Columbia's scenic rural areas. Still today, the industry remains a cornerstone of many rural communities.

For the past 40 years, the Agricultural Land Reserve (ALR) has influenced the way cattle ranchers and farmers have managed their land in British Columbia. This year we saw the Province of BC pass Bill 24, making amendments to the Agricultural Land Commission Act. We don't yet know the full scope of changes Bill 24 will allow, however, we do know that the newly created Zone 2 will consider additional criteria (such as economic impact, cultural significance, etc.) for applications. This could see some further development or removal of land from the ALR.

THE PRICE OF DEVELOPMENT

Farmers and ranchers are concerned about the potential challenges for their operations that can be caused by the urbanization of farmland. Examples of this can be seen in the Lower Mainland and Okanagan Valley.

Past experience has shown that development in rural areas comes at a price to the surrounding farmers and ranchers. Unfortunately, this can often lead to an increase in disputes among neighbours. It would be ideal if situations that cause conflict among neighbours could be avoided altogether. While that is likely not possible, improving communication is a great start. As the old saying goes, an ounce of prevention is worth a pound of cure.

Country living is very appealing and offers a lot of advantages to the city dweller—wide open spaces, beautiful views, and freedom. Unfortunately, there are misperceptions about living the simple country life, such as the opportunity to live in quiet solitude without a neighbour looking over your backyard fence, no traffic, and no one to tell you what you can and can't do. On the surface this looks and sounds good but the reality is that quiet solitude comes with a new set of responsibilities. While you might not be able to see your neighbour, there are a lot of things that the new country resident needs to be aware of to be welcomed into an agricultural community.

The changes from Bill 24 have raised the issue of unintended consequences and the need for averting disputes. There is potential for an increase in the problems that more rural residential or rural industrial activity will cause for the agricultural community, so there will need to be some work done to prevent and mitigate possible conflicts. More effort is needed to ensure that rural landowners know their rights and responsibilities so that conflicts can be avoided.

WORKING TOGETHER

The BC Cattlemen's Association would like to work with the real estate industry to develop some educational materials that could be reviewed with new landowners and included with the conveyance documents. A shared understanding of rights and responsibilities could prove to be the best tool for keeping our communities free of unnecessary strife. Bill 24 will require a joint effort to ensure that the dream of owning a little piece of paradise becomes a reality.

In some cases, there will be portions of farmland that will be suitable for other purposes, as Bill 24 may allow. Measures need to be put in place to offset any potential unintended consequences (such as uncontrolled dogs, ATV traffic, etc.) and allow the farmer or rancher to continue to produce food. It is critical that ALR lands continue to be preserved for agricultural activities. The Agricultural Land Reserve was, after all, established to protect our provincial food security.

Cattle grazing takes place on both private deeded lands and public Crown land tenures. Approximately 85% of the land used for agriculture in BC, including land in the ALR, is Crown land. The vast majority of this Crown land is used for grazing livestock. Since Crown land plays such a vital role in ranch operations, we would like to suggest that the realtor advise the potential buyer whether any Crown tenures are in place nearby and where to get more information. If the new landowners are new to country living, they may not realize that cattle will be travelling along the roadside or congregating at their back fence for weeks at a time.

Having the Crown as your neighbour is alluring because often it is thought of as parkland. While it may be somewhat true, adjacent landowners also have responsibilities that come with being the government's neighbour.

The biggest area of dispute comes in fencing responsibilities. Often it is assumed that livestock owners are responsible for fencing Crown land to keep the cattle contained. This is not





Kevih Booh

General Manager, BC Cattlemen's Association

Kevin Boon was raised on the Boon family ranch in Delia, Alberta, a small town in southern Alberta outside of Drumheller. In 2009, he moved to BC to become General Manager of the BC Cattlemen's Association. As a third-generation rancher, Kevin is very familiar with the concerns and challenges of the ranching industry.

Prior to his work with the BC Cattlemen's Association, Kevin served as Vice-Chair of the Alberta Beef Producers. Kevin has also served as a beef producer representative on several beef industry boards and committees for the Alberta Beef Producers, the Beef Information Centre, the Canada Beef Export Federation, and the National Check-off Agency.



the case. Where private property adjoins Crown land it is the responsibility of the private landowner to fence out the livestock. If they choose not to fence, then they are, in effect, allowing the livestock free access to their land and must live with the consequences, including any damages. Where both pieces of property are privately owned then it is the livestock owner's responsibility, though good neighbour agreements usually share fencing costs.

Another area of dispute is caused by dogs harassing livestock on rural properties. Many feel that when they move to the country, Rover will be free to roam and enjoy nature and the wide open spaces. The problem comes when that dog decides it will be a good game to chase and play tag with the neighbouring cattle. To the cow, a dog is a threat and a predator, no different than a wolf or a coyote. Cattle will do everything possible to stay away from the predator and in trying to escape often risk serious injury or death. This is no small issue for a cattle rancher and the costs can accumulate into the tens of thousands of dollars very quickly.

Unfortunately, in these cases it is the dog that will pay the price as the livestock owner has the right to protect their livestock

from the offending dog. The dog owner needs to be even more watchful of their dog's actions when they move to the country because the consequences can be great for uncontrolled dogs that are causing harm.

Troubles over fences and dogs are just two examples of what may come with Bill 24 but good intentions and communication may just help ease the changes potentially coming to BC's rural landscape. Realtors, developers, and landowners can help prevent strife by sharing information about rural laws and responsibilities to make the transition to country living amicable for everyone. Remember, good fences make good neighbours.

The British Columbia Cattlemen's Association (BCCA) has been the official voice of cattle ranchers throughout British Columbia since 1929. The goal of the Association is to promote, encourage, protect, and develop the BC cattle industry in an environmentally responsible manner.



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Calendar of REIBC Events



OCTOBER 16, 2014 | MEET THE PROS – BCIT

The new year of school has begun for BCIT students taking the Real Estate option. On October 16, Professional members from the residential world will talk about their profession and answer any questions students may have.

BCIT Campus, Burnaby, BC

DECEMBER 4, 2014 | PRESIDENT'S LUNCHEON

Guest speaker is Mr. Shayne Ramsay, CEO, BC Housing.

Four Seasons Hotel, Vancouver, BC

FEBRUARY 2015 CHAPTER RECOGNITION DAY

REIBC is holding its first Chapter Recognition Day. Every chapter will hold an event and recognize its members who have been REIBC members for 5, 10, 15, and 20 years. Watch reibc.org for your chapter's event.

MARCH 26, 2015 REIBC 2015 EDUCATION SYMPOSIUM

For the 2015 Symposium we are changing the format to a full day of plenaries—five sessions—and are adding a trade show. The event will feature a great closing speaker, Ryan Berlin from Urban Futures. Registration for members will be \$229 and non-members \$279. Watch reibc.org for further details. We look forward to seeing you.

UBC Robson Square, Vancouver, BC

JUNE 11, 2015 ANNUAL GENERAL MEETING

All members are welcome to join us at the Annual General Meeting. Voting privileges are for Professional members only.

Four Seasons Hotel, Vancouver, BC

JUNE 11, 2015 RECOGNITION DINNER

Who will receive the 2015 Award of Excellence? Dinner, awards ceremony, and entertainment make this a great evening filled with fun and laughter.

Four Seasons Hotel, Vancouver, BC

JUNE 24, 2015 **22nd ANNUAL CHARITY GOLF TOURNAMENT**

REIBC's annual tournament in support of the Make-A-Wish Foundation of British Columbia and Yukon.

Northview Golf and Country Club, Surrey, BC

OUESTIONS?

For more information visit www.reibc.org



ANNUAL GENERAL MEETING AND RECOGNITION DINNER

In June, the annual Recognition Dinner was held at the Terminal City Club, following the AGM. There were over 165 guests in attendance and it was a lively and fun event. The jazz band Swing 2 Beat played for guests at the beginning and end of the evening, with Past President Jacques Khouri leading the band with great upbeat jazz.

President Mandy Hansen handed out over 20 recognition certificates to members of the Institute who have been members for 25, 30, 35, 40, 45, and 50 years, thanked the outgoing Board of Governors, and presented Bill Phillips with an Honorary Membership. Avtar Bains also received an Honorary Membership but was unable to be with us that evening.

The Award of Excellence was then presented. Last year's recipient, Dougal Shewan, presented Past President Judi Whyte with the 2014 award. Judi was gracious in her acceptance and acknowledged her love of the industry and the Institute. You can read more about Judi in this issue's Member Profile.

To entertain us, a comedian had some fun with a few of our members, and then after more networking the event was over—a huge success! If you missed it, check out the photos on our website (under events/ photo gallery). Mark your calendar for next year's event on June 11, 2015.

ANNUAL GENERAL MEETING

On June 12, 2014, REIBC held its Annual General Meeting at the Terminal City Club. There were 31 members present, which met quorum requirements. The auditors at Rolfe Benson LLP were appointed as the auditors for the Institute for 2014–2015, and one change to the bylaws was made. The change removed section 15.02 (8) from the bylaws that required REIBC to use CUSPAP as the standard for appraisers, as other parts of section 15 deal with the standards for all professionals and the appraisers need not be singled out. All motions were carried unanimously and the meeting concluded at 5:20 p.m.







RECOGNIZING OUR MEMBERS

25-YEAR MEMBERS

Scott Baird **Edith Chan** Michael Chin Ben Czelenski Mark Edmonds Gene Goodnough **Robert Guenther** John Henrey Marsha Hope Charles Johnstone

Simon Joslin Mary Kiland Thomas Knoepfel Daren Liggett Michael McCammon Sohan Parmar Kathryn Shaw **Peter David Walters** Philip Winkler

30-YEAR MEMBERS

Murray Carpenter Sandra Cawley Andy Chan Erika Clark Allan Corbett Ross Dalpre **David Godfrey Brian Hawkins** Kenneth Hollett **Evelin Irons** Patrick Kelly

Terry Macleod Ian McCurrach Adrian Percival Steven Reid Greta Soo **Daniel Stewart** Gary Wiebe Margaret Wai-Kay Wong John Zaikow

35-YEAR MEMBERS

Ian Charles Glen Josephine Lim

Fred Lindsay Keath Gordon Williams

40-YEAR MEMBERS

Danny Boyd John Dean William F. Fife Allan Halldorson David F. Heidt Glenn Lathrop

Thomas W. Milton Keith Trevor Pritchard Malcolm Sharp Wayne Frederick Williams

45-YEAR MEMBERS

Michael Naish Stanley Nicol **Andrew Pearson** Derek Turner

50-YEAR **MEMBERS**

Alfred Buttress (in remembrance)







Above left: President (now Past President) Mandy Hansen (I) with 2014 Award of Excellence winner Judi Whyte and 2013 Award of Excellence winner Dougal Shewan (r).

Above: About-to-be Past President Mandy Hansen and incoming President Jason Grant exchange the gifts of office.

Left: Bill Phillips receives an Honorary Membership.

BOARD OF GOVERNORS



Back row, left to right: Troy Abromaitis, Tracy Wall, Greg Steves, John Phillips, Rajan Sandhu, Susan Antoniali, Daniel John.

Front row, left to right: Cheryl Wirsz, Andrea Fletcher, Jason Grant, Mandy Hansen,

MEETTHE NEW GOVEYLOYS

INCOMING BOARD OF GOVERNORS

Cariboo/Northwest/

Prince Rupert John Phillips

Fraser Valley Rajan Sandhu

Kootenay David Graham

North Fraser Susan Antoniali

Thompson/Okanagan Tracy Wall

Vancouver Troy Abromaitis,

Andrea Fletcher, Jason Grant, Daniel John

Vancouver Island Gregory Steves,

Cheryl Wirsz

Past President Mandy Hansen





Susan is committed to striving for excellence in client services and membership engagement. Being a Governor of REIBC gives Susan the opportunity to bring together fellow members and businesses to network

across the province. Susan is committed to and has served with several organizations, on special committees of REIBC, as Past President of IREM Chapter 50, as a director for tournaments in minor hockey and little league, as co-chair of a parent advisory committee, and as President of the Coquitlam Scuba Club.

Susan is constantly looking for innovative ways to meet the business and strategic goals of the organizations she works with, using a "common sense" approach to bring teams together.

For many years, Susan has managed a large revenue and non-profit portfolio in the City of Vancouver's Property Management Operations that includes all types of real estate categories and many demanding challenges and priorities.

Susan and her husband, Claudio, have young-men sons Michael and Bryan and an ol' girl dog, Dale. Susan can be found in her garden or on the golf course—both on the fairway and in the beach.



John Phillips, RI

John Phillips has over 30 years' experience working in residential and commercial real estate development. As the Controller for the Diocese of Prince George he has the opportunity to be involved

with a variety of real estate matters across Northern BC. As part of his work, John manages a manufactured home park in Prince George and is also Treasurer of the Manufactured Home Park Owners Alliance of BC. In these roles he has seen many positive changes in provincial legislation for landlords and tenants over the years.

John currently serves as Governor of the Cariboo/Northwest/ Prince Rupert region for REIBC. He is looking forward to helping the Board achieve its purposes—especially to increase membership and to assist the development of the local chapters by promoting their interests with speakers and events. In his leisure, John enjoys beekeeping and amateur (ham) radio.



Greg Steves, RI

I have a confession to make: I don't have a Commerce degree and didn't graduate from the Urban Land Economics program at UBC! Whew, I feel so much better now that I have that off my chest. I am

a city planner—okay, well, not really a city planner, but I have a graduate degree in City Planning from the University of Manitoba. I am super excited about being elected to the Board of Governors this past spring.

I have been working in various aspects of real estate development for 16 years. I started during grad school working at Canada Post developing plans for real estate investment across Western Canada. After graduate school I came back to BC, this time to work for the Province in Victoria. Today I am Executive Director of Housing Policy in the Office of Housing and Construction Standards. I am responsible for providing advice to government on housing issues. I am also responsible for the Strata Property Act and administering the provincial housing strategy—Housing Matters BC. As a Governor, I am keen to look at ways to encourage more real estate professionals to join the Institute. It is my belief that there are lots of people working in real estate development, whether it is in the private sector or in government, that meet our membership requirements and are capable of upholding the codes and standards expected of members.



Raj Sandhu, RI

Raj Sandhu has been working with BC Assessment since 2004 and is currently Deputy Assessor for the Fraser Valley Assessment Region, where he oversees the creation of the annual assessment roll. During

his career at BC Assessment, Raj has specialized in complex property types including shopping centres and development land, and is also responsible for matters before the Property Assessment Appeal Board. Raj has a diploma in Urban Land Economics from UBC and has been a member of the Institute since 2009.

Since first becoming a member, Raj has witnessed many of his colleagues give their time and energy for the benefit of the Institute and its members. Feeling like it was his time to give back, Raj pursued the role of Governor and looks forward to the exciting challenge ahead in his new position. Raj currently resides in Abbotsford with his wife and his newborn son.



Cheryl Wirsz, RI

Cheryl Wirsz is a Registered Professional Planner working as a Project Manager with the Forest Land Acquisitions Group in the Forest Tenures Branch at the Ministry of Forests, Lands and

Natural Resource Operations in Victoria. Cheryl advises on forest land use acquisition policy and acquires land, and interests in land, for the BC Forest Service, such as forest service roads and statutory rights of way to access timber, land leases for wildfire management operational sites (air tanker bases, initial attack bases, fire control centres), and sites for communication towers, weather stations, and seed orchards.

Cheryl holds a Master of Public Administration degree from UVIC and a BA (Geo) from UBC. Cheryl is currently Vice-President on the Board of Governors and brings her energy, policy skills, strategic planning knowledge, and interest in marketing for non-profits to the table. Cheryl says, "My goal in serving on the Board is to work with the Governors to provide continuing educational and professional development opportunities and to boost and promote the intangible value of being an RI and member of the Institute." In her spare time, Cheryl hikes, bikes, kayaks, and gardens with her partner Doug, and is slightly obsessed with deer-proofing the vegetable and flower gardens at her home in Cowichan Bay.

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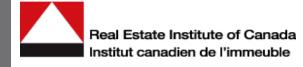
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Urban Policy Review: A View from the Outside

In 1973, legendary urbanologist Sir Peter Hall and his colleagues concluded that unprecedented house price increases had occurred in England from its more than two decades of urban containment policy. This, they said, created almost the "reverse effect" of another policy goal—to benefit less affluent households. Urban

containment policy attempts to severely limit the spatial expansion of cities ("urban sprawl") by outlawing development on large swaths of land. There are other terms for urban containment, such as "smart growth" and "growth management."

1 P. Hall, The Containment of Urban England, London: Allen and Unwin, 1973, 407-409.

Wendell Cox, BA, MBA Principal, Demographia

Wendell Cox is the principal of Demographia, a St. Louis-based international public policy firm. He is a senior fellow at the Frontier Centre for Public Policy in Winnipeg, and author of a regular column at newgeography.com, including its "Evolving Urban Form" series. He is co-author of the *Demographia International Housing Affordability Survey*, which rates housing affordability in more than 300 cities in nine nations, and author of *Demographia World Urban Areas*, the only regularly published resource for the population, land area, and population densities of world urban areas over 500,000 population. Wendell was a three-term member of the Los Angeles County Transportation Commission and served on the Amtrak Reform Council. He also served as a visiting professor at a Paris university. He lived for three years as a child in the Courtenay–Comox Valley area.





The house price increases are not surprising. Scarcity leads to higher prices, other things being equal, whether the subject is gasoline, wages, bananas, or land for development (which necessarily raises house prices). London School of Economics Professor Paul Cheshire has found that urban containment is "irreconcilable" with housing affordability.2

Things have only gotten worse for England in the intervening decades. A report commissioned by the Blair government, from Bank of England Monetary Policy Committee member Kate Barker, associated Britain's excessively high house prices with its urban containment policy.3

Around the same time the Hall research was published, the metropolitan areas of Vancouver, Sydney, and Portland adopted urban containment programs. Later, similar policies spread throughout Australia, New Zealand, the US West Coast, and to other areas. The reality is that virtually wherever severe house price increases have occurred in Canada, Australia, New Zealand, and the United States, they have been preceded by urban containment policy.4

- Paul Cheshire, Urban Containment, Housing Affordability and Price Stability --Irreconcilable Goals, SERC Policy Paper 4, London: Spatial Economics Research Centre, 2009.
- K. Barker, Review of Housing Supply: Securing Our Future Housing Needs: Interim Report — Analysis, London: HMSO, 2003, and Barker, K. Review of Housing Supply: Final Report — Recommendations, London: HMSO, 2004.
- Wendell Cox, Hugh Pavletich, 10th Annual Demographia International Housing Affordability Survey. Demographia, http://www.demographia.com/dhi.pdf (accessed August 14, 2014).
- Metro Vancouver, Metro Vancouver 2040: Shaping Our Future Annual Report 2014 (Draft), http://www.metrovancouver.org/planning/development/RPAC/Agendas/ OnTableItem-May22.pdf (accessed August 14, 2014).

The metropolitan area of Vancouver prohibits urban development outside an urban containment boundary. This includes the large Agricultural Land Reserve, half of which is not even farmed. 5 Land is available for development within the urban containment boundary, but it is far too little to replicate the low prices that prevail in regions where urban containment policy has not been implemented.

Vancouver now has the worst housing affordability of any major metropolitan area⁶ in Canada, the United States, Australia, and New Zealand. House prices have tripled in relation to incomes over four decades, and have nearly doubled in just the last decade.⁷ Further, there is legitimate concern about speculative activity, which drives housing prices up even more. Urban containment policies "create their own weather," as these policies attract investors seeking easy profits, thereby increasing demand and prices even more.

In 2013, Vancouver's median house price was 10.3 times median household income (a measure called the median multiple), and three times Ottawa's 3.8.8 Compare this to 1971, when

- Over 1,000,000 population.
- Demographia, Demographia International Housing Affordability Ratings & Rankings, http://www.demographia.com/dhi-rank200502.htm (accessed September 4, 2014).
- Wendell Cox, Hugh Pavletich, 10th Annual Demographia International Housing Affordability Survey. Demographia, http://www.demographia.com/ dhi.pdf (accessed August 14, 2014).
- Calculated from Statistics Canada 1971 census data
- Wendell Cox, "Housing Affordability and the Standard of Living in Vancouver," Frontier Centre for Public Policy, 2014, https://www.fcpp.org/posts/ housing-affordability-and-the-standard-of-living-in-vancouver (accessed August 14, 2014).

Vancouver prices were 3.9 times incomes, little more than 10% above Ottawa's 3.5.9 The difference between prices in the two metropolitan areas is four decades of urban containment policy. Vancouver's housing affordability is much worse than that of any other major metropolitan area in Canada, with a median multiple nearly three times that of Edmonton, 2.4 times Calgary's, 2.2 times Montreal's, and 1.7 times Toronto's.

Housing costs are crucial to the standard of living, because cost differences between metropolitan areas are far greater than any other major item of household expenditure. Higher house prices mean that households have less discretionary income—amounts left over after taxes and basic necessities. The difference is substantial, at all income levels, because the house price increases flow through to virtually all price segments of the market. The average income household purchasing the average priced house in Vancouver would have annual mortgage payments \$20,000 to \$30,000 higher¹⁰ than households in the other five major metropolitan areas (Calgary, Edmonton, Montreal, Ottawa and Toronto).

This means the housing formerly available to average households is beyond reach. Vancouver has not yet suffered the full brunt of the problem, since many households bought their houses at the much lower prices that prevailed before. For example, in the decade between 2003 and 2013, the average existing house sale price (all housing types) in Greater Vancouver has risen 130%. However, consequences will become even more severe as the housing stock turns over.

As a result of Vancouver's much higher housing costs, many young, low-income, and visible minority households are already priced out of the dream of high-quality single-family housing that is more achievable in much of the rest of the nation.

Despite these consequences, Vancouver's policies are being copied across Canada. Housing affordability losses have followed. Since 2000, single-family house prices have risen 60% relative to incomes in Calgary, even with its strong household income increases. Things are even worse in Toronto, where detached house prices have nearly doubled relative to incomes since 2000. Yet, even with their seriously diminished housing affordability, Calgary's prices are less than one-half those of Vancouver, and Toronto's are a full third less relative to incomes.

Even as urban containment policies are spreading, the Bank of Canada and the Organization for Economic Cooperation and Development have expressed concern that rising house prices negatively affect the national economy.

Greenhouse gas (GHG) emissions and agricultural preservation have been among the most-often cited justifications for Metro Vancouver's urban containment policy, which responds by mandating higher densities and trying to make driving less convenient.

Yet, as a McKinsey-Conference Board report found in the United States, there are sufficient cost-effective GHG reduction strategies to make less driving or denser housing unnecessary. Among the most substantial and cost effective were vehicle fuel economy improvements, building-efficiency improvements, and electronics improvements, all of which had costs per GHG tonne removed of less than \$0.12 The behaviour modification strategies that would force people into high-rise living and transit are both overly expensive and ineffective.¹³ For example, in the San Francisco Bay Area, transit improvements were projected to reduce future GHG emissions between 2% and 4% from a 2035 baseline, with a projected cost of \$800 to \$5,800 per tonne.14 In contrast, based on an economic analysis of the virtually duplicate new US fuel economy standards, the new Canadian fuel efficiency standards can be expected to substantially reduce GHG emissions (overall, not just per kilometre) while reducing overall consumer costs.15 Costs are important. Implementing less cost-effective GHG strategies can be expected to produce job losses, a lower standard of living, and more poverty.

Further, Canada has increased agricultural productivity approximately 60% since 1961,¹⁶ yet total agricultural land has been reduced since its peak expanse by an area equal to that of the Maritimes.¹⁷ At a broader level, World Bank advisor and New York University professor Shlomo Angel has shown that worldwide there are adequate reserves of cultivatable land sufficient to feed the planet in perpetuity.¹⁸

One of the singular accomplishments of the last century has been the spread of affluence and reduction in poverty in high-income nations. Canada has been a leader in this regard, with a gross domestic product per capita that has risen to five

- 11 Wendell Cox, Housing Affordability and the Standard of Living in Calgary, Policy Series No. 162, Winnipeg: Frontier Centre for Public Policy, 2014, https://www.fcpp.org/sites/default/files/calgary_housing.pdf (accessed August 14, 2014).
- 2 McKinsey & Company and The Conference Board, Reducing U.S. Greenhouse Gas Emissions: How Much at What Cost?, Executive Report, December 2007, http://www.mckinsey.com/ client_service/sustainability/latest_thinking/~/media/C88BE6B2201B4896A40E593B0B033CC1 .ashx (accessed September 4, 2014).
- 13 Wendell Cox, "Questioning the Messianic Conception of Smart Growth," newgeography.com, June 28, 2012, http://www.newgeography.com/content/ 002934-questioning-messianic-conception-smart-growth (accessed August 14, 2014).
- 14 Metropolitan Transportation Commission, Transportation 2035, 2009, http://www.mtc .ca.gov/planning/2035 plan/FINAL/T2035 Plan-Final.pdf (accessed September 4, 2014).
- 15 Wendell Cox, "Driving Trends in Context," newgeography.com, May 28, 2013, http://www .newgeography.com/content/003743-driving-trends-context (accessed August 14, 2014).
- 16 Calculated from data on multi-factor productivity based on gross output, 1961 to 2007, from the Centre for the Study of Living Standards, www.csls.ca/data/agriculture_database.xlsx (accessed September 2, 2014).
- 17 Calculated from Statistics Canada data
- Shlomo Angel, Planet of Cities, Cambridge: Lincoln Institute of Land Policy, 2012.

times that of 1940 (inflation adjusted).¹⁹ Some of that progress has been eroded where house prices have risen faster than incomes, such as in Vancouver.

Urban containment policies have been adopted without serious attention to the damage to housing affordability and the standard of living. No political party aspiring to government would adopt a manifesto calling for a lower standard of living or greater poverty. Yet through urban containment, governments have unwittingly placed a higher priority on secondary issues, such as urban design, urban sprawl, and mode of transport, than on the more fundamental issue of economic well-being.

There is a need to refocus urban policy on fundamentals. People do not flock to cities for textbook urban planning, urban architecture such as fountains, or other amenities. Cities have grown because they are incubators of economic opportunity. Aspiration for a better standard of living draws people to cities.

Reform is needed. The first step is to recognize that Vancouver (like Sydney, Portland, California, etc.) has a problem. This requires a strong political commitment, first and foremost, to improving the standard of living and reducing poverty. For example, the New Zealand government has begun this difficult task, and is implementing policies to control and improve housing affordability by liberalizing requirements for greenfield development. Their proposals call for requiring sufficient affordable land to substantially improve housing affordability.

Without reform, Vancouver's relative house prices could go even higher. Already, as the house cost trends cited above indicate, most younger households and inter-provincial migrants face insurmountable financial barriers to home ownership. The lucky ones will inherit homes from their parents—which is a big step away from what Sir Peter Hall called the "ideal of a property owning democracy." ²⁰



20 P. Hall, The Containment of Urban England, London: Allen and Unwin, 1973, 413.



UBC Real Estate Division is pleased to announce the new Reserve Fund Planning Program (RFPP), a national program designed to provide real estate practitioners with the necessary expertise required to complete a diversity of reserve fund studies and depreciation reports.

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Real Estate Division

THE UNIVERSITY OF BRITISH COLUMBIA



Metro Vancouver's Industrial Land Base

Vacant industrial land in Metro Vancouver is experiencing diminished available inventory year over year as steady absorption continues to outpace the market-ready supply of developable land. Based on the best case of historical absorption figures, with no change in fundamental development economics, these lands could represent less than a decade's supply of general industrial land—and potentially far less supply for land serving regional and national users.

MINDING THE NUMBERS

Following the June 2013 release of Analysis of Metro Vancouver's 2012 Market Readiness of Vacant Industrial Lands Report, conducted by Pacific Land Group (PLG), NAIOP Vancouver retained PLG to conduct a supplementary review. At issue are the lands identified as being readily available for long-term development; these were taken from an earlier report, Market Readiness of Metro Vancouver Vacant Industrial Lands, issued in August 2012, which built on an even earlier report, Metro Vancouver 2010 Industrial Lands Inventory.

Chris MacCauley Vice-President, CBRE Limited

A proven professional in the industrial market, Chris MacCauley has built many strong relationships with companies in the Lower Mainland and across Canada in the last nine years. Chris specializes in development projects, investment sales, build to suit, selling, and leasing in the industrial sector. His broad market knowledge, expertise, hard work and attention to detail, and consistent delivery of positive results have yielded him an outstanding track record and numerous sales awards. Chris sits on the board of NAIOP Commercial Real Estate Development Association and chairs the Governmental Relations and Development Issues Committee.





This relatively low amount of supply constrains local industrial land users from expanding within the region and discourages foreign industrial land users from locating to the region. In both cases, opportunities for growth in employment are challenged.

The primary purpose of the supplementary review is to ensure that key policymakers like Metro Vancouver are working with as accurate and realistic an information database as possible to guide their decisions on the industrial land base.

Metro Vancouver's 2012 report, Market Readiness of Metro Vancouver Vacant Industrial Lands, identified 1,988 acres as available for industrial development after 2017. Further review by PLG in their 2013 report determined a more accurate total area for the lands to be 2,313 acres. However, by reviewing each individual lot, the PLG's analysis also determined that 1,838 acres of land were affected by at least one development constraint; government/quasi-government ownership was the most prevalent restriction, encumbering 1,090 acres of land. The analysis shows that of the 2,313 acres, only 476 acres¹ are serviceable, privately owned lands available for development. This limited supply of land creates significant hurdles in addressing the needs of industrial users as the typical, yearly demand for industrial land is 320 to 400 acres per year. Even by resolving some of the constraints to development, the amount of land that could be made available for development is still less than required by the market.

Based on the historical average of land absorption of 250 acres per year, as determined by Metro Vancouver using statistics from 2005 to 2010, the 476 acres (across all eight inventory areas) represent just under two years of supply. When combined with industrial land that becomes available in the long term (over five years), a total of 2,919 acres are considered available, providing just over 11 years of supply. This relatively low amount of supply constrains local industrial land users from expanding within the region and discourages foreign industrial land users from locating to the region. In both cases, opportunities for growth in employment are challenged.

EXPANDING THE DISCUSSION

The 2012 report was limited in its scope to a review of the Metro Vancouver Industrial Land Inventory, but we believe there are a number of other areas of investigation that should be examined from a regional perspective by Metro Vancouver policymakers to facilitate an informal, open discussion on this issue. A key consideration in any discussion should be consideration of the land-use impacts and opportunities arising from the significant regional investment to improve our goodsmovement infrastructure, such as the South Fraser and North Fraser Perimeter Road projects.

NAIOP's interest is aligned with the region's interest in ensuring that the region retains the ability to support the expected future growth in employment, both in the short to medium term and in the long term as well. NAIOP wants to foster an environment where discussion can take place between all stakeholders regarding regional opportunities to secure future land, and balance such needs with the province's economic drivers.

NAIOP'S POSITION

NAIOP is not in favour of the establishment of an Industrial Land Reserve as we believe this will severely limit the ability of the region to respond effectively to market forces and infrastructure changes and the ability to shift uses and transportation patterns over time. NAIOP believes that there is currently enough protection contained within the Regional Growth Strategy and municipal zoning to protect currently zoned and designated industrial lands.

We believe that it is necessary for all levels of government to foster the conditions necessary to ensure that a sufficient supply of industrial land is available to the marketplace in the short to medium term, as land availability has been shown to drive absorption. Without the ability for end users to acquire land necessary for the establishment and growth of their businesses, some of these key job creators will be forced, out of necessity, to find lands in other regions to meet their needs, which will only serve to reduce the overall economic prosperity of Metro Vancouver.

This reality was recognized in Metro Vancouver's 2005 and updated 2010 Industrial Land Inventory report, and continues to hold true:

The amount of vacant industrial land in the inner Vancouver and middle ring areas of the region is limited. Industrial land is needed in all sub-regions in order to provide city-serving industrial activities, a diversity of jobs, proximity to the labour force for commuting, and efficient use of goods movement infrastructure, including road, rail, and barge.

The supplementary review, released September 2014, is titled Long-Term Forecast and Analysis of Metro Vancouver's Industrial Lands.²

www.langara.bc.ca/real-estate

- Numbers have been rounded.
- 2 Metro Vancouver, Industrial Land Inventory, 2005, ii.



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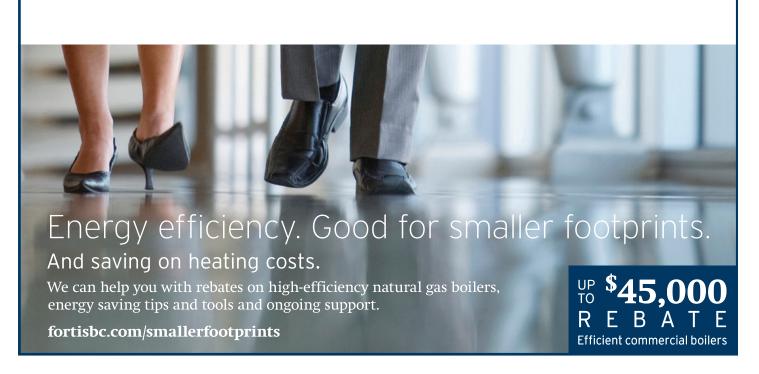
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ASSOCIATE

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CAREER NOTES: COMMERCIAL DEVELOPMENT

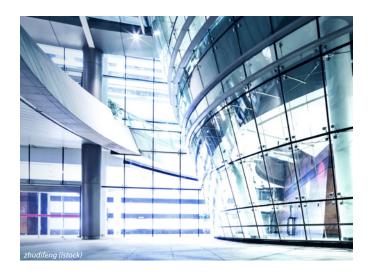
Real estate is ever evolving in response to market conditions driven by the constantly changing requirements of building occupants and organizations, and thus creates a steady stream of opportunity for developers trying to meet this demand.

There are many opportunities in the field of commercial development and projects can vary across a broad range of asset classes including office, industrial, retail, residential, and hospitality. Each has its own intricacies and requirements, but most share some common attributes required to manage these projects successfully.



As mentioned above, there are a variety of projects that could fall within the commercial development mandate, but ultimately the role of the developer is to maximize the overall value of the property for the investors, considering the existing project and market constraints. This involves everything from initial feasibility analysis to determine the viability of the project to sourcing capital, hiring a design team, garnering public support and municipal approvals, engaging a contractor, overseeing the construction, and coordinating the initial lease-up of the project. The project could involve greenfield development or take the form of a value-add renovation or brownfield redevelopment. The goal is project delivery on time, on budget, and within the predefined scope. All of this is typically undertaken in collaboration with property management, leasing, and asset management team members.

The development process involves real estate due diligence, cost analysis, feasibility studies, site plan design, and securing all regulatory approvals while fostering working relationships with third parties and government agencies to obtain support



for projects. There is usually a component of regular internal (and likely also external) reporting to ensure all parties are well informed of progress and any changes.

SKILLS TO SUCCEED

A university degree in a related real estate program is beneficial, but more importantly, experience is gained by immersing oneself in the role. Feet to the fire is really the primary way to develop the skill set and experience necessary to excel in the development field. However, the learning curve can be smoother with excellent communication and negotiating skills, familiarity with financial analysis and urban planning, good leadership and management skills, and solid judgment. In this diverse role it is critical to be able to multi-task and come forward with a motivated, energetic, and team-oriented outlook every day.

I think the opportunities in the development field are broad and challenging, but the excitement of bringing a successful project to fruition is one that continues to motivate those willing to take on the challenge.

Nathan Worbets, RT, B.Comm

Director of Development, Morguard Investments Limited

Nathan Worbets has practiced commercial real estate development, including retail, office, and industrial projects, for the past 14 years. Nathan is a graduate of UBC with a B.Comm in Urban Land Economics, and he holds the Chartered Financial Analyst (CFA) designation and a Real Estate Licence.

Nathan has been an active member of REIBC since joining in 2004. He most recently served as Past President. Nathan served on the Board of Governors for seven years, from 2006 to 2013, and prior to that served as Chapter Director and Chair of the Vancouver Chapter, contributing to several committees.



REIBC's 21st Annual Charity Golf Tournament

REIBC's 21st Annual Charity Golf Tournament, Dinner, and Auction was held on June 25, 2014, at Northview Golf and Country Club in Surrey. The event supports the Make-A-Wish Foundation of BC and Yukon, and since the tournament's inception in 1993 has raised over \$420,000 in charitable donations.

Since 1983, the Make-A-Wish Foundation has granted more than 1,600 wishes to children with life-threatening medical conditions, aiming to enrich the human experience with hope, strength, and joy. Each wish granted will provide a child and his or her immediate family with a carefree and joyful experience that provides a respite from the stress and anxiety of the life-threatening medical condition they live with on a daily basis. As a result of the generous support of the participants and sponsors of the annual golf tournament, REIBC was able to donate \$25,070.99 to Make-A-Wish Foundation, one of the largest donations in the history of the event.

The Golf Committee made some adjustments and additions to the registration opportunities in 2014 for both participants and sponsors in an effort to create a higher-quality experience and profile at the event. Team hole sponsorship opportunities were limited to 18 Platinum sponsors and increased to \$1,500. Gold sponsorships were eliminated. In addition to corporate sponsorship opportunities, such as lunch, dinner, power carts,





Rob Reichelt, RI, B. Comm

President, RDR Financial Services Inc.



Rob Reichelt is President of RDR Financial Services Inc., a registered mortgage broker in BC, and currently represents Terrafund Financial Services Inc. originating, brokering, and servicing mortgage loans for commercial and residential projects in Western Canada. His real estate lending experience spans 35 years and includes production, business development, and managerial positions in residential and commercial construction and long-term mortgage financing in the banking, trust, and investment banking industry in Vancouver for Bancorp Financial, Column Canada Financial, Montreal Trust, Scotiabank, and MCAP.

driving range, and hit-the-green (most of which were sold to incumbents), several new categories were offered. We had our first ever title sponsor (BFL Canada), pin flags (Keystone Environmental), and putting contest (NEXT Environmental). Hole-in-one prizes included cash prizes of \$10,000 from both Aon Risk Solutions and REIBC, plus a 2014 Mazda 3GS Sky from Freeway Mazda. No one was able to match Bryan Dudley's amazing hole-in-one shot accomplished at last year's event.

There were many other corporate and individual sponsorships and donations, which allowed us to offer four fantastic live auction packages and 20 amazing silent auction prizes. In addition, we were able to offer 10 raffle prizes throughout the evening, plus the Grand Raffle prize of a new set of Ping G30 golf clubs, bag, and shoes, having a retail value of \$2,000. The lucky winner of the clubs was Mandy Hansen.

Kipp Rudd of ThyssenKrupp Elevator won the 50/50 prize draw, worth approximately \$550. Kipp showed great generosity in donating the winnings back to the event.

A special thank you to our emcee for the evening, Mark Madryga, Global TV Meteorologist, whose prowess as our "live auctioneer" and ability to work the room helped raise a total of \$11,500 from the live and silent auctions.

Judi Whyte was finally able to recognize Scott Ullrich as the recipient of the 2012 George Whyte award. Scott was back in attendance this year after missing the event for the past two years due to business conflicts. In a unique twist, the 2014 award was presented by Past President Mandy Hansen to Judi for her support of the Institute and the golf tournament. Judi was definitely the big winner of the evening as her team won not only the Longest Putt contest, but was the overall team winner of the tournament—Judi's first in 21 years of playing. Judi also picked up a skill prize for being closest to the pin.

Once again, the highlight of the evening was the introduction of the Make-A-Wish Family. Heather Pedersen, a volunteer from Make-A-Wish Foundation of BC and Yukon, introduced

the family. Calvin, the wish child, suffers from hypertrophic cardiomyopathy. He attended the event along with his parents, Jeff and Leah, and gave an enthralling speech about his "Wish Trip" experienced in London. He has been reading about London for a number of years and wanted to experience the art and culture that makes London what it is. He kept the crowd listening intently for a full 10 minutes. We were once again reminded about the reason we expend the time and effort to make this event happen.

The golf committee has received positive feedback from sponsors and participants about the sponsorship changes, and the hope is that with some additional tweaking we will continue to make this a successful event and hope to achieve a donation goal of \$30,000. This will aid the Make-A-Wish Foundation to grant four or five wishes based on its current cost structure. However, it will depend on the continued effort of the committee members to market the sponsorship opportunities and solicit live and silent auction items and prize donations to secure the highest quality inventory of prizes possible. This ultimately leads to the success of the tournament and maximizes the charitable donation.

Monthly meetings of the Golf Committee will commence in October for the 2015 tournament. The date has been set for Wednesday, June 24, 2015, again at Northview Golf and Country Club in Surrey.

The Golf Committee would like to extend its thanks to the corporate and individual sponsors for their support and prize donations, the participants, the volunteers for assistance in the organization of this year's tournament, and the REIBC staff—all of whom have been instrumental in assisting the Golf Committee through the process. We are looking forward to seeing everyone at next year's tournament to join us in what we anticipate will be another successful event.

Richard Sirola, RI President, Sirola Services Inc.

Richard Sirola is a real estate professional with 36 years' experience in the creation of capital pools and the analysis, structuring, financing, and management of all types of residential and ICI mortgage and investment offerings. He is currently Director and Past Chair of REIBC (Vancouver Chapter) and has been a Professional member since 1981. Richard is also Past Director and a 20-year member of the Mortgage Investment Association of BC.









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Initial Print & Copy Centre: Golf brochure printing

TEAM PRIZE WINNERS

First Place: Team 12A - Prudential Sussex Realty: Judi Whyte, David Kureluk, Dean Larsen, Jamie Macintosh

Second Place: Team 13A - Fusion Security: Wayne Lee, Harry Strausgaard, Kirk Irwin, Rick Halliday

Third Place: Team 15A - Smart Investments: Rudi Herzog, Andrew Strong, John Smart, Jon Alpen

Most Honest Team:

Team 11B - Gateway Property Management: Scott Ullrich, Kelly Lerigny, Steve Lerigny, Leslie Bessey

GRAND PRIZE RAFFLE DRAW WINNER: Mandy Hansen

SKILL PRIZE WINNERS

Ladies' Longest Drive: Julie Lacasse Ladies' Closest to the Pin: Judi Whyte Men's Longest Drive: Jon Alpen Men's Closest to the Pin: Wes Boyorski Longest Putt: Judi Whyte

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REIBC's 22nd Annual Charity Golf Tournament is on June 24, 2015

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Judi Whyte, RI

Associate Broker, Prudential Sussex Realty

In June, REIBC presented the 2014 Award of Excellence to Judi Whyte. The award recognizes REIBC members who demonstrate excellence in their contributions to REIBC, the profession, and the community.

Judi earned her RI designation in 1979, received her diploma in Urban Land Economics from Sauder School of Business in 1983, and then served from 1983 to 1996 as a director of the Vancouver Chapter of REIBC. While a director, she served as Education Chair, Vice-Chair and as a member of the Research Task Force. From 1996 to 2002 she represented the County of Vancouver as a Governor of REIBC, and from 2003 to 2005 served as REIBC President.

Outside of REIBC, Judi was appointed in 1983 as Director of the Kootenay Real Estate Board. During this period she acted as Chair and also Vice-Chair of the Education Committee, and co-chaired both the Incentive Committee and the Conference Committee. She also served on the Executive and Long Range Planning Committees. In 1986, Judi was elected President of the Kootenay Real Estate Board. During her tenure she chaired the Executive Committee, and also served as a British Columbia Real Estate Association director, and as a delegate of the Canadian Real Estate Association. In 1989, as Past President of the Kootenay Real Estate Board, Judi chaired the Constitution and By-Laws Committee and served as a member of the Executive Committee.

Judi was elected to the Real Estate Council of British Columbia in 1989 as an agent member for the County of Kootenay. From 2003 to 2009 she served the Council as an agent member for the County of Vancouver, and from 2008 to 2009 she served as Chair of the Council. In 2010 the Council appointed Judi as a director of the Real Estate Errors and Omissions Insurance Corporation; she currently serves as Chair. In 2008, she received very special recognition as the first recipient of the Real Estate Board of Greater Vancouver's Professional Excellence Award.



Judi has contributed greatly to the communities she has lived in. During her residence in the Kootenay region, she was a Gold Level Judge for the Canadian Figure Skating Association, and was a director and President of Nelson Minor Hockey Association. From 2004 to 2010 Judi served on the board of directors for North Shore Community Resources and the Community Housing Action Committee. In 2006, she helped to found A Place to Call Home, a registered charity on the North Shore that uses donations to increase the stock of affordable housing in the City and District of North Vancouver and the District of West Vancouver. Judi is currently Vice-President and has served multiple terms as the president of the organization. In 2011, Judi became involved in the North Shore Widows Network and currently serves as President.

Judi is an avid golfer and tenacious competitor. She has played in all 21 of REIBC's Annual Charity Golf Tournaments, where proceeds go to the Make-A-Wish Foundation of BC and Yukon. She has been a proud sponsor of the event for 15 years. Judi Whyte's contributions to REIBC, the profession, and her community are greatly valued by those who have had the privilege to work with her and share in her passion.

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