



RI

input

FALL 2012

VOL. 40 NUMBER 3

Great Bear Rainforest

Protecting the Gitga'at Nation's Way of Life

By Andrew Frank, Gitga'at Nation

Northern Gateway

Enbridge's Proposed Pipeline in Northern BC

By Todd Kimberley, Enbridge

Are Canada's Pipelines Safe?

The Engineering Behind Pipeline Infrastructure Projects

By Terry McSweeney, Nu-Westech Engineering

Neighbourhood Energy Utility

A Low-Carbon Heat Source Serving Vancouver's Southeast False Creek

By Chris Baber, City of Vancouver



From the EO's Desk

Here it is, the Fall 2012 issue of *Input*, focused on the proposed Northern Gateway crude oil pipeline in Northern British Columbia. Wow!

This issue of *Input* is a little different than those before it. We chose a provincial hot topic, asked questions to those in the know, and in return we got some facts and some opinions. Producing this issue revealed to us just how politically charged the proposed pipeline is. There are many points of view held by folks in various professions. And, of course, those who have a vested interest in the land (and water)—in either its unaltered or proposed developed state—have strong voices.

REIBC has not made comment on this topic and we won't. We will watch and listen with everyone else to see what the outcome is over the next few years. What we have tried to do with this issue is to provide our members with food for thought on this topic so that the real estate professions can contribute to the discussion.

Putting together this particular issue was the biggest challenge I have faced in the last five years working on *Input*. Never before have we sought articles on so contested a topic, where there are so many interested parties and the line between fact and opinion is so tricky to find. We're thrilled with the final product and hope it sparks our members' interest—we want to hear what you think of this issue!

I would like to take this opportunity to thank the organizations and authors that contributed facts, opinions, and musings from every side of the pipeline topic. We asked a lot from our authors and they rose to the challenge. With all that is going on in the media regarding the proposed pipeline project, we are thankful for their efforts. I'd also like to thank our editor, Shana Johnstone (Uncover Editorial + Design), whose carefulness and thoughtful insight produced an awesome magazine.

In this issue we also cover the 19th Annual Charity Golf Tournament and the AGM and Recognition Dinner, introduce our new Governors—Troy Abromaitis and Jason Grant, and President Andre Gravelle writes his first President's Message. As always, we have our columns on Giving Back, Career Notes, Climate Change, Chapter Report, and Member Profile. We have also added a new column in this issue, called Ask a Lawyer. In future issues, lawyer John McLachlan will answer any real estate questions you would like to ask, so please send your questions to us at marketing@reibc.org.

We hope you enjoy this issue of the magazine and look forward to your feedback for Letters to the Editor.

A handwritten signature in black ink that reads "Brenda Southam".

Brenda Southam, CAE
Executive Officer

Write to us!

LETTERS TO THE EDITOR

We promise to read all letters submitted. Letters will be considered for printing based on space constraints. Thank you for taking the time to share your ideas, kudos, opinions, and concerns with us.

Submit your letter to the editor: info@reibc.org



President's Message

As we move into the fall and become immersed in our busy work lives, it's a good time to reflect on the diversity of services

and opportunities available to Institute members. As the incoming President, I am delighted to be part of these activities and am honoured to work with the talented and committed team of Governors.

Amidst the Institute's many member services, I'm struck by how some of the Institute's core functions continue to have the most impact. REIBC houses BC's most knowledgeable real estate professionals, and education and networking connections have always been key. While social media can play a role in making connections, I find there is no substitute for meeting face to face.

In my previous terms as Governor, I've enjoyed many networking opportunities. Perhaps the most unique REIBC networking opportunity is the professional member interview. My role as a Director at the Sauder School of Business Real Estate Division has combined with my Governor duties when I've met Sauder graduates in this professional context. This highlights that you never know where and how connections will be made until you get involved. Whether carrying out professional membership interviews or attending the Recognition Dinner, annual golf tournament, or education seminars, I encourage you to get personally involved with the Institute—it may well lead you to unexpected benefits!

In this edition of *Input* you will find articles focusing on the controversial topic of oil pipelines and its broad impact on real estate and property rights in British Columbia. I hope you find these articles informative and thought provoking.

And finally, as we begin a new year I would like to thank Nathan Worbets, our immediate Past President, for his assistance and guidance during the last year.

Andre Gravelle, RI
President

Contents

FALL '12

- 4 CHAPTER REPORT: Thompson Okanagan
By Curt Broughton, RI
- 6 Enbridge's Proposed Northern Gateway Pipeline
By Todd Kimberley
- 9 Are Canada's Pipelines Safe?
By Terry McSweeney, P.Eng
- 12 Calendar of REIBC Events
- 13 ASK A LAWYER: Expropriation
By John A. McLachlan, BA, LLB
- 16 Guardians of the Great Bear Rainforest
By Andrew Frank, BA, MA
- 20 CLIMATE CHANGE: Neighbourhood Energy Utility Heats Vancouver's Buildings Efficiently
By Chris Baber, P.Eng
- 24 Recognizing Our Members: Recognition Dinner and AGM
- 26 Board of Governors
- 27 CAREER NOTES: Property Management
By Scott Ullrich, RI, FRI, BA, Dip (ULE), CPM, CA
- 28 The Economics of a Pipeline: Northern Gateway
By Robyn Allen, BA, MA
- 31 GIVING BACK: Anita Farrar, RI
- 32 The Land Makes the People, the People Don't Make the Land
By Nathan Cullen, MP Skeena-Bulkley Valley
- 35 REIBC's 19th Annual Charity Golf Tournament
- 37 New Members
- 38 MEMBER PROFILE: Robert Fawcett, RI

CHAPTER REPORT: THOMPSON OKANAGAN



The Thompson Okanagan is the third largest REIBC chapter in the province with just under 90 members. We cover a very large geographic area and have members in over 10 different communities. Most of our members reside and work in Kelowna and Kamloops. Our members represent a cross-section of real estate professionals such as realtors, appraisers, assessors, property managers, notaries, mortgage brokers, and provincial and municipal managers.

Real estate development in our region is diversified with urban and rural land use. Rural areas include a variety of farmland uses from hayfields and orchards to world-class vineyards and wineries. The Thompson Okanagan is home to many recreational resorts as evidenced by our five destination ski resorts, numerous championship golf courses, and many waterfront tourist destinations. Our urban development includes standard residential, commercial, and industrial uses as found in other urban areas across BC and Canada. Our sunny climate and central location attracts people who want to move to this region for their retirement. Many new gated communities and senior care homes have been developed to serve this growing demand. A recently completed large-

scale project is the University of British Columbia Okanagan (UBCO) in Kelowna, which now has a student body of almost 8,000 from all around the globe. New projects planned for our region include a \$200 million provincial correctional facility on the Osoyoos Indian Band land near Oliver and the new Ajax copper and gold mine in Kamloops.

Our chapter has five dedicated Directors that hail from across our region. They have been working hard over the past five years to offer our members opportunities for networking and professional development. Events are planned regularly in our three major centers: Kamloops, Kelowna, and Penticton. Often we undertake these events as a joint venture with the local chapters of the Appraisal Institute of Canada (Kelowna and Kamloops) as this allows us to share costs and bring in experts from outside of our region. We try to provide education that will be of interest to all of our members and we often invite non-members to attend.

Our chapter hosted a luncheon meeting in Penticton where local RI Iain Hyslop gave a presentation on vineyard valuation. This event attracted many RIs as well as local realtors, bank personnel, and many other professionals. Other recent events have included speakers from different municipalities on topics such as the City of Kelowna Downtown Plan for future redevelopment, the Kamloops North Shore Development Plan,

Curt Broughton, RI

Chapter Chair, Thompson Okanagan Chapter



Curt Broughton is retired after working for 34 years as an appraiser and Deputy Assessor with BC Assessment. Over his career he was involved in valuing residential, farm, waterfront, commercial, and both light and major industrial properties. Although retired, he sits as a Member or Alternate Member for four Indian Boards of Review and has been a Professional member of REIBC since 1983.

the new Resort Municipality at Sun Peaks, and the new District of West Kelowna (incorporated in 2007). Other events have been more socially oriented, including golfing in the fall and networking activities at Christmastime. Our chapter recently sponsored four members to attend the REIBC Educational Seminar by offering to pay their registration fees.

Our large geographic area creates challenges as we are faced with a minimum drive of over two hours between Kamloops and Kelowna. Addressing the needs of our members and getting our members out to events is often a daunting task given the diversity of occupations of members and the long distances between communities. We hold our events in the different major centers to allow our members to attend functions close to where they live.

To comply with the bylaws we must hold a General Meeting of our chapter every year. For the last two years we have conducted our General Meeting via conference call, offering our members a toll-free telephone number to participate. Turnout has been reasonably successful in terms of overall numbers, but disappointing in that we've mostly had only assessors call in (along with our Directors) even though our members are employed in a variety of occupations. Though we face challenges, our Directors will continue to plan and schedule events for the benefit of our members.



We have tried to maintain our current membership while attracting new members to the Institute. The chapter is exploring hosting a webinar on a topic that would be of interest not only to our chapter members but to Institute members across BC. We encourage our members to participate and we look forward to their ideas. These ideas will assist us to provide educational and professional development opportunities that help build best business practices uniting all sectors of the real estate industry.

**If you're not using an MBABC broker, you should be.
Choosing the right mortgage can save you THOUSANDS of dollars.**

Expertise You Can Trust

By engaging the services of a qualified Mortgage Broker, you can rest assured that you will be working with an ethical professional who is committed to offering the highest levels of service and care.



mbabc

mortgage brokers
association of bc

Visit mbabc.ca to find a broker near you.

Enbridge's Proposed Northern Gateway Pipeline

Workers prepare pipe for trenching on Enbridge's Waupisoo pipeline in Northern Alberta (2007). Waupisoo connects Enbridge's Cheecham Terminal near Fort McMurray with its Edmonton Terminal and currently carries up to 240,000 barrels per day.

Northern Gateway, proposed by Canadian pipeline company Enbridge and its partners, represents a massive energy infrastructure project with a nearly 1,200-kilometre twin pipeline stretching from the Edmonton area to Kitimat, BC, and a new Kitimat Marine Terminal at the end of the Douglas Channel on the Pacific Coast. At \$6 billion, it would represent the largest private infrastructure project in British Columbia's history. Northern Gateway would connect Canada's oil sands to emerging energy markets in the Pacific Rim, allowing our country's most valuable export to achieve full value on the global energy market.

In 1959, the completion of the St. Lawrence Seaway created a so-called "gateway to the world" and propelled Canada's economy into the big leagues. Half a century later, the Northern Gateway project aims to achieve the same result. Simply put, Northern Gateway is an infrastructure project of national importance, following in the tradition of the St. Lawrence Seaway whose 3,800-kilometre system of canals, locks, and

channels created another invaluable access point to tidewater for Canada's industrial and agricultural industries.

"The St. Lawrence Seaway faced an enormous amount of opposition in its day, but pretty much anyone would look back now and see the immense value in the project," says Janet Holder, Enbridge's Executive Vice President of Western Access. "We expected opposition to Northern Gateway. And that's why we've been working so hard along the corridor, making sure residents understand the project and know who we are as a company."

Enbridge's regulatory application for Northern Gateway is going through a thorough, rigorous federal government review led by a three-person, federally appointed Joint Review Panel (JRP).

MARKET DIVERSIFICATION A TOP PRIORITY

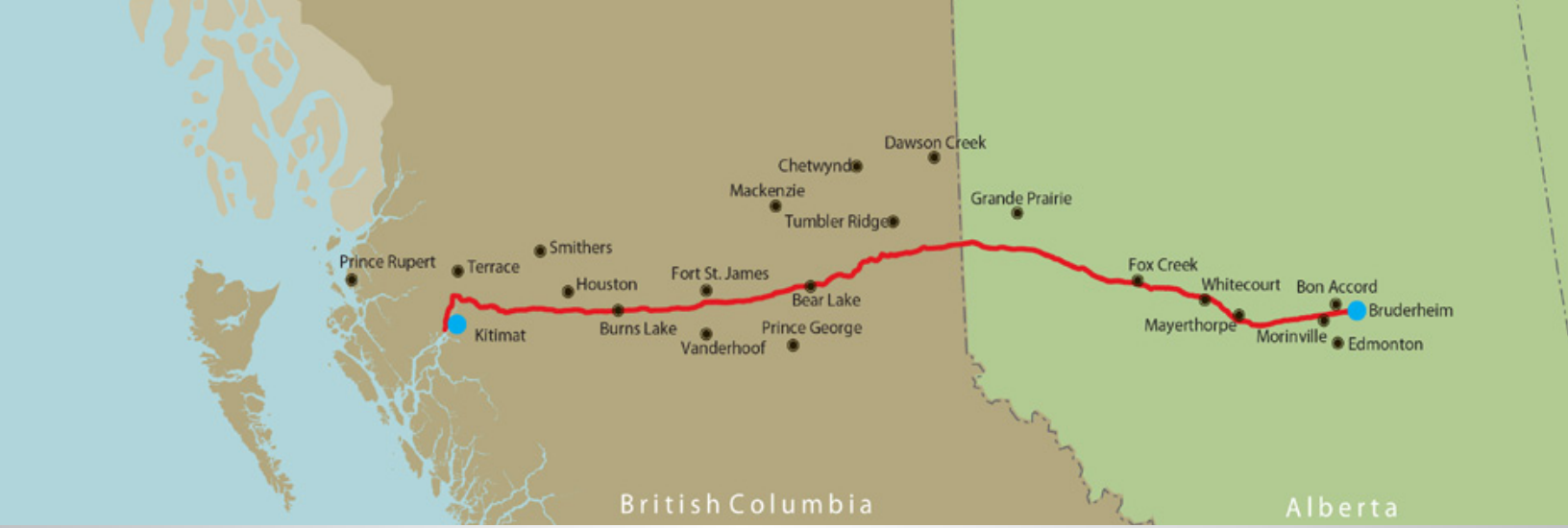
Northern Gateway would see an estimated 525,000 barrels of petroleum head westward each day to Kitimat, where a state-of-the-art marine terminal with two mooring berths and 14 storage tanks would service tankers on Canada's Pacific Coast.

Todd Kimberley

Media Writer for Enbridge

A newspaper reporter and editor for 18 years, Todd Kimberley now wears numerous hats as a freelance writer—including a white Smithbilt as the media writer with the Calgary Stampede's agriculture department, and a red-and-white rally cap as the media consultant for the SAIT Trojans collegiate athletics program. He occasionally sneaks off the SAIT Polytechnic campus, and wanders out of the Stampede's barns, to scribble about subjects entirely devoid of sheep, cattle, pucks, and cleats.





Northern Gateway would allow Canada to instantly catapult itself onto the world stage as a global energy player by securing access to the growing economies of the Pacific Rim, including China, Japan, Korea, Southeast Asia, and India. Currently, the export of oil is worth \$50 billion a year to Canada—an estimated 3.5–4% of our country's gross domestic product. Northern Gateway would bring an extra \$270 billion in national GDP over 30 years, quite literally a transformational injection of new economic opportunity to Canadians for an entire generation.

The alternative is a rather unsatisfying status quo. The United States represents Canada's most important petroleum market but also its only market, with 99% of Canadian crude oil exports heading to the Lower 48. The US demand for oil is flat at best. Because of the landlocked state of Canada's oil export industry, it is estimated that Canadian oil is discounted by anywhere between \$20 and \$25 a barrel off the world price—a discount that cost us more than \$10 billion in 2011 alone, according to John Carruthers, President of Enbridge Northern Gateway.

A BOUNTY OF BENEFITS FOR BRITISH COLUMBIA

For British Columbians, the economic benefits of Northern Gateway are profound. It is estimated the Province will reap \$1.2 billion in tax revenue over the first 30 years of operation. The central BC region can expect to see an estimated \$401 million spent on goods and services during the construction phase—including equipment rentals, camp services, fuel supply, right-of-way clearing, logging, and salvaging—while an estimated \$318 million will likely be spent in coastal BC and another \$112 million in northeastern BC. About 3,000 jobs will be created for construction of the pipeline and marine terminal, with 560 long-term jobs arising out of Northern Gateway operations and maintenance.

"Just as Canada needs to diversify its markets and its businesses, so too does BC's north," says Holder, a native of Prince George who moved back home in September 2011 to assume overall

leadership of Northern Gateway. "The more diversity there is for the province, the better off it is for job security and prosperity in the long term."

RAISING THE BAR FOR SAFETY AND THE ENVIRONMENT

Planning for Northern Gateway began as far back as 2001, with safety considerations and environmental concerns afforded the highest priority, every step of the way. Enbridge and its partners have invested approximately \$250 million to date in the Northern Gateway project. Engineering, safety, research, planning, and design account for approximately 20% of that figure.

"We took great pains to ensure that Northern Gateway was state-of-the-art in terms of safety and environmental sensitivity," says Carruthers. Since the earliest stages, Enbridge has gone above and beyond regulatory requirements, and has exceeded standards (set by contemporary Canadian projects) in the planning of the Kitimat Marine Terminal. The Douglas Channel was chosen because it is one of the widest and deepest inland waterways on the West Coast. Tankers mooring at the terminal must be double hulled and no more than 20 years old. All tankers will be inspected and vetted by independent third parties before they enter the shipping channels, and all vessels will be guided by expert BC pilots.

Northern Gateway's marine safety plan includes a comprehensive radar system, powerful escort tugs, reduced speed in the inland waterways, and a multitude of emergency response provisions.

Earlier this year, Transport Canada completed a TERMPOL peer review into Northern Gateway's marine operations and identified no regulatory concerns. Meanwhile, every effort has been taken to ensure the safest route possible for the Northern Gateway twin pipelines—including the use of laser



A worker welds two sections of pipe together on Enbridge's Waupisoo pipeline in Northern Alberta (2007).
Photos and map provided by Enbridge.

imaging, intensive field analyses, seismic testing, exploration of below-ground conditions, and in the case of the Coast Mountain Range, using tunnels to avoid the potential risk of rockslides or avalanches.

The pipeline construction plan follows exacting standards that include: stringent quality control in pipeline fabrication; rigorous inspection during construction, including ultrasonic or radiographic testing of every weld; focus on a careful backfill process; and commitments to a much higher rate of pipeline inspection with state-of-the-art intelligent testing tools.

"As a result of feedback and ongoing consultation, we've made dozens of route amendments," says Ray Doering, Manager of Engineering for Enbridge Northern Gateway. "We started with Route A. At the moment, Route U has been filed with the regulators, and right now we're on Route V. The process doesn't stop."

In mid-July, Enbridge announced a package of further enhancements to the Northern Gateway pipeline design with an additional cost of between \$400 million and \$500 million. These improvements include: increasing the overall wall thickness of the pipeline; installing a dual-leak detection system; ensuring additional pipeline wall thickness for water crossings including major tributaries to the Fraser, Skeena, and Kitimat rivers; and boosting the frequency of in-line inspections throughout the pipeline system by a minimum of 50% over and above industry standards.

Other new Northern Gateway commitments include full-time, 24/7 staffing at remote pump stations, in addition

to remote monitoring equipment. Design enhancements include increasing the number of remotely operated isolation valves in BC by 50%, with the project already having featured considerably more isolation capability than any other planned or existing pipeline in North America. "We made a project that was already very safe even safer," says Carruthers.

PARTNERSHIP WITH THE ABORIGINAL COMMUNITY

Enbridge is proposing to cross Crown lands on which constitutionally guaranteed Aboriginal rights apply. Recognizing this, Northern Gateway officials have spent a decade engaging and consulting with Aboriginal groups in an effort to ensure their rights are not infringed while establishing an important bridge between Aboriginals and industry to provide mutual long-term benefit. "In our industry, where we connect energy supply to energy demand, the playing field—in relation to Aboriginal interest and Aboriginal engagement—is evolving. Communities are, quite rightly, expecting a higher level of engagement and involvement, including longer-term economic participation," says Morgan Yates, Northern Gateway's Director of Aboriginal and Stakeholder Relations.

Enbridge has offered Aboriginal groups along the pipeline right-of-way, and on parts of the Pacific Coast, a 10% equity share in Northern Gateway that is expected to generate an aggregate \$280 million in net income over 30 years. Of the groups eligible to participate in the equity offering, 60% signed equity protocol agreements. All told, these groups represent 80% of the combined First Nations and Métis population along the Northern Gateway corridor.

The potential \$1-billion Aboriginal benefits package also includes a skills development and employment training strategy, an Aboriginal procurement fund, a precedent-setting package of marine services and benefits, and a portion of a community fund being established for Aboriginal and non-Aboriginal communities alike, expected to exceed \$100 million over 30 years.

"In order to have a true partnership with our equity holders, it can't be about writing a cheque. It has to be about assisting the community to the best of our ability," says Catherine Pennington, Northern Gateway's Supervisor of Community Education, Training, and Skills Development.

UP TO THE CHALLENGE

As with all major infrastructure projects, there are issues that must be addressed. However, projects in Scotland and Norway show that petroleum transportation infrastructure can successfully coexist with economies based on fishing, aquaculture, and tourism. "We know," says Carruthers, "that Canada is up to the challenge."

Terry is a registered professional engineer with degrees in engineering and business administration. He has experience in the design and implementation of pipelines used in oil and gas, pulp and paper, mining, and beer and food service industries. He is currently the president of Nu-Westech Engineering Limited based in Richmond, BC. Nu-Westech has been in operation since 1988 and services the industrial, residential, commercial and retail sectors. Nu-Westech offers full service design-build capabilities with electrical, mechanical and structural engineers, and its own in-house construction crew.



Are Canada's Pipelines Safe?

The Northern Gateway pipeline being proposed by Enbridge, which would transport crude oil products (bitumen) from Alberta to BC for shipment to the rest of the world by tanker, has brought oil pipelines and their safety into recent headlines. BC residents have been inundated with facts about pipelines that tell us on one hand pipelines are the best possible way of transporting oil with no real downside, and on the other hand the worst possible way to ship oil with huge environmental consequences. It is difficult to know what to believe and what we should be supporting.

The fact is that transporting oil by pipeline is the safest method currently available with the least environmental impact. Pipelines have been used for thousands of years to transport liquids such as water and sewage. Pipelines were first used to transport oil in 1865 and by the early 1900s pipelines had become a common method of moving crude oil. In the years since, the methods for constructing pipelines have improved greatly and regulations governing the construction and operation of pipelines have been put in place. Canada's regulations are based on 11 key standards published by the Canadian Standards Association and because the CSA operates

as a neutral third party, the regulations are considered to be some of the strictest in the world.

Pipelines are made of high-strength steel and the joints are welded to allow the pipes to withstand high pressures without leaking. New pipelines today are designed to withstand 125% of the expected pressure in the line. The welds are x-rayed to detect any flaws, and pressure relief valves and expansion loops are incorporated to allow for any excess buildup of pressure to be relieved without causing damage that would result in a leak. As well, external coatings are applied to the pipe surface,



flickr/Arthur Chapman

Pig from the Trans-Alaska pipeline. Pigs are machines that crawl inside the pipe, used to detect cracks and corrosion (2009).



flickr/gawd

sacrificial anodes (metals that lose electrons more readily than steel, so the anode corrodes while the steel remains intact) are attached, and additives are mixed with the oil to reduce the mixture of entrained water that leads to internal corrosion.

Pipelines are controlled by highly automated systems that monitor the flow rates, pressure and fluid characteristics, and new technologies are employed to detect and prevent leaks. Fluctuations in fluid characteristics alert operators to potential leaks allowing them to shut down lines and dispatch crews to investigate. The pipeline design process takes into account any environmentally sensitive areas nearby, the local communities and their concerns, seasonal variations in temperature and climate, existing facilities nearby that could pose a public safety risk, and how the terrain affects the construction and operation of the pipeline.

Once the pipeline construction is complete, the line is pressure tested and must hold a pressure of 110% of design pressure for a minimum of eight hours. A drop in pressure indicates a leak, and the line is checked until the leak is found and repaired. It is very rare to see a pipeline leak upon start-up.

WHAT CAUSES LEAKS?

This is all very well, but all we need to do is read the paper or listen to the news to realize that despite all of the technology and effort, pipeline spills and leaks do occur. Pipelines leaks occur for three main reasons:

1. Leaks are caused by a third party.

This includes accidental contact such as someone hitting a line with a piece of equipment or truck, people intentionally cutting into the line, and terrorist activities. In Canada, terrorist activities on pipelines are minimal, and a person intentionally

cutting into a line is almost non-existent. Also, oil companies, pipeline companies, and the provincial and federal governments do a good job of educating people against the dangers of accidental contact, and security and safety measures have been implemented.

2. Leaks result from human error.

People make mistakes and mistakes can lead to spills. As long as operators are used to control flow, human error will remain a risk. However, modern pipelines are operated mainly automatically by a computer network and directional valves are opened and closed based on input signals taken from the sensors that monitor flow. Redundancy is built into every line to ensure component failure will not result in a spill, and emergency shutoff valves are incorporated to shut off flow when a drop in pressure is sensed. Manual intervention is only required to redirect the flow or when the system is scheduled to be shut down or started up.

3. Leaks occur due to corrosion.

Corrosion results from the contact of metal with wet organic material (external corrosion) and by entrained water with dissolved oxygen, carbon dioxide, or hydrogen sulfide (internal corrosion). Leaks from corrosion are the leading cause of pipeline oil spills in North America.

Pipeline companies, as mentioned, take many measures to prevent corrosion and detect leaks. In addition to external coatings, sacrificial anodes, and additives, aircraft fly along pipelines to visually inspect for signs of corrosion and leaks. As well, they use special “pigs” which are inserted into the lines. Pigs are machines that crawl along the inside of the pipe and are equipped with instruments that detect cracks and corrosion. Any suspected flaw is then repaired or replaced before it develops into a leak.

The next step in making Canada's pipelines safer would be for the governing bodies to impose tighter regulations on the maintenance and operation of the lines. Setting fines for spills helps, but it still allows for a company to do a risk assessment to determine if the cost of a potential spill is less than the cost of proper line maintenance and detection.

The problem is that rust never sleeps and while corrosion-detecting technologies are effective, they aren't cheap. In the aftermath of the Prudhoe Bay spill in Alaska, it was determined that BP needs to spend almost three times (\$195 million, as compared with the \$72 million they were spending) on corrosion control. The cost of diligence is often prohibitive and companies looking to maximize profits will cut corners. Also, the use of pigs—the most effective method of detection—is not yet foolproof. Pigs are long and in some cases too long to make it around bends, and since they are unable to climb steep inclines, long sections of pipeline go without internal inspection.

Oil is not going to be replaced as the main source of energy any time soon. As well, there are hundreds of oil-based products such as plastics and lipstick that have become everyday staples. Pipelines are the preferred mode of transportation and will continue to be for several reasons: compared to truck and rail transport, pipelines are less damaging to the environment, less susceptible to damage and theft, and more economical, safe, convenient and reliable.

New advances in technology such as newer model pigs that will allow for complete coverage of all areas, and steadily improving steel alloys that are more corrosion resistant, will help reduce the risk of pipeline leaks. As well, most pipelines now use fusion bond epoxy coatings like those used on ship hulls, and cathodic protection (such as sacrificial anodes and the application of a small counter current that replaces electrons in the steel that have been lost to corrosion) is now regulated.

The next step in making Canada's pipelines safer would be for the governing bodies to impose tighter regulations on the maintenance and operation of the lines. Setting fines for spills helps, but it still allows for a company to do a risk assessment to determine if the cost of a potential spill is less than the cost of proper line maintenance and detection. Oil companies and pipeline companies must be forced to ensure the proper amount of maintenance and detection to reduce the risk of a spill or leak.



UBC Real Estate Division

CONTINUING PROFESSIONAL DEVELOPMENT COURSES

Today's successful real estate professional is creative, analytical, adaptable, and committed to lifelong learning. The Real Estate Division at UBC's Sauder School of Business offers a suite of self-paced, online courses designed to broaden your marketable skill set and enhance your professional future.

CPD courses for BCREA PDP credit:

CPD 101: Business Enterprise Valuation

CPD 104: Hotel Valuation

CPD 106: Multi-Family Property Valuation

CPD 107: Office Property Valuation

CPD 108: Seniors Facilities Valuation

CPD 109: Lease Analysis

CPD 125: Green Value - Valuing Sustainable Commercial Buildings

Find out more at www.realestate.ubc.ca/bcreapdp

Additional CPD course topics include:

- Specialty Valuation:
 - Agricultural, Land, Multi-Family, Machinery and Equipment, Business Enterprise, Seniors Facilities, Hotel
- Valuing Green Properties:
 - Residential and Commercial
- Financial Reporting: Real Property Appraisal and IFRS
- Requests for Proposals (RFPs) - Winning Strategies
- Exposure & Marketing Time: Valuation Impacts
- Appraisal Basics: Residential and Commercial
- Expropriation Valuation
- Impairments and Contamination
- Adjustment Support in the Direct Comparison Approach
- Creative Critical Thinking
- Lease Analysis
- Highest and Best Use Analysis
- Appraisal Review

Find out more at www.realestate.ubc.ca/cpd

tel: (604) 822-2227 toll-free: 1-877-775-7733

email: info@realestate.sauder.ubc.ca

web: www.realestate.ubc.ca



Real Estate Division

Calendar of REIBC Events



DECEMBER 5, 2012 | VANCOUVER CHAPTER HOLIDAY CELEBRATION

Celebrate the season with friends and colleagues!

Terminal City Club, Vancouver, BC

DECEMBER 6, 2012 | PRESIDENT'S LUNCHEON

Guest speaker is Mr. Blair Hagkull, Managing Director of Jones Lang LaSalle

Venue to be announced



JUNE 13, 2013 | ANNUAL GENERAL MEETING

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

Terminal City Club, Vancouver, BC

JUNE 13, 2013 | RECOGNITION DINNER

Who will receive the 2013 Award of Excellence? Dinner, awards ceremony, and entertainment make this a great evening filled with fun and laughter. Sponsored by the British Columbia Real Estate Association.

Terminal City Club, Vancouver, BC



JUNE 19, 2013 | REIBC's 20th ANNUAL CHARITY GOLF TOURNAMENT

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

Northview Golf and Country Club, Surrey, BC

SEPTEMBER 27–28, 2013 | VALUING DIVERSITY CONFERENCE

Held in partnership with the BC Association of the Appraisal Institute of Canada

River Rock Resort and Casino, Richmond, BC

QUESTIONS?

For more information visit www.reibc.org



ASK A LAWYER: EXPROPRIATION

Q: *The government is potentially going to expropriate my property. What are the next steps and what are my rights and obligations?*

A: An expropriating authority may take land without an owner's consent to achieve a public purpose. The expropriation may be confined to fairly specific sites for such things as hospital or school projects but may also encompass larger projects such as the expansion of a transit network or a highway. The provincial and federal governments, municipalities, school boards, and universities and hospitals, among others, can carry out expropriations.

The powers of expropriation constitute a significant infringement on individual property rights, and as such, expropriating authorities must adhere to the procedures set out in their governing statutes. An expropriating authority must not expropriate land unless proper notice is served and the expropriation is approved by the appropriate authority—typically the minister responsible for overseeing the entity proposing the expropriation.

Generally, the *Expropriation Act*, R.S.B.C. 1996, ch. 125 (the *Act*), governs with regard to expropriations in British Columbia, although there are still some statutes that contain their own individual procedures. Those statutes are set out in section 2 of the *Act* and include, among others, the *British Columbia Railway Act*, the *Emergency Program Act*, and the *Water Act*.

The first step in an expropriation is the preparation and service of an expropriation notice. The expropriating authority must serve the expropriation notice on the property owner, the

approving authority, and any other person having a registered interest in the land. A copy of the notice must also be posted on the land to be expropriated. Finally, the expropriating authority must also file a copy of the notice in the land title office. The expropriation notice must set out, among other things, the name and address of the expropriating authority and the approving authority, a description of the land to be expropriated, and the purpose for which the expropriation is required. Either before or after the service of the expropriation notice, the expropriating authority is entitled to enter onto the land to carry out surveys, inspections, and testing.

Once an owner has received notice of an intended expropriation relating to a development that is not a “linear development” the owner may, within 30 days from the date of service of the notice, submit a request for an inquiry with the minister. A “linear development” is defined in the *Act* as including “a highway, a railway, a hydro or other electric transmission or distribution line, a pipeline or a sewer, water or drainage line or main.” There is no right to an inquiry if the expropriation is for a “linear development.”

The purpose of the inquiry, as set out in section 14 of the *Act*, is to determine “whether the proposed expropriation of the land is necessary to achieve the objectives of the expropriating authority with respect to the proposed project or work, or whether those objectives could be better achieved by an alternate site or varying the amount of land to be taken or

John A. McLachlan, 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.



In British Columbia, compensation is based on the market value of the land being expropriated plus reasonable damages for disturbance. Market value is defined in section 32 of the *Act* as the amount that would have been paid for the interest if, at the time of its taking, it had been “sold in the open market by a willing seller to a willing buyer.”

the nature of the interest in the land to be taken.” The right of inquiry does not allow the owner to question the decision to expropriate or the necessity for the project for which the expropriation is sought.

Where there has been an inquiry, the approving authority must consider the inquiry officer’s report, but it then has the discretion to approve, approve with modifications, or reject the expropriation. Legal proceedings challenging the validity of the expropriation must be brought before the land vests with the expropriating authority and any application for judicial review of a decision of the approving authority must be brought before the vesting and within 30 days of the date of the order.

Within 30 days of the approval of the expropriation, the expropriating authority must make an advance payment to the owner consisting of the expropriating authority’s estimate of the compensation owing to the owner as a result of the taking, excluding business loss. Along with the advance payment, the authority must also deliver the appraisal report, along with any other reports, upon which it bases its estimate of the compensation owing. If the owner is not satisfied with the amount of the advance payment, he or she may, within one year of the date of the advance payment, file a claim with the Supreme Court of British Columbia for additional compensation.

Within 30 days after making the advance payment, the expropriating authority must file a vesting notice in the land title office and must serve that document on the owner. The filing of the vesting notice is the formal transfer of the interest in land and gives the authority the right to take possession of the land.

In British Columbia, compensation is based on the market value of the land being expropriated plus reasonable damages for disturbance. Market value is defined in section 32 of the *Act* as the amount that would have been paid for the interest if, at the time of its taking, it had been “sold in the open market by a willing seller to a willing buyer.”

In determining the market value of the land, consideration is not given to:

- The anticipated or actual purpose for which the expropriating authority intends to use the land
- An increase in the value of the land resulting from a use that, at the day the expropriation, was capable of being restrained by a court
- An increase in the value of the land resulting from improvements made to the land after the expropriation notice or order has been served, unless those improvements are necessary to preserve the value or state of the land
- An increase or decrease in the value of the land resulting from the development or prospect of the development in respect to which the expropriation is made
- An increase or decrease in the value of the land resulting from any expropriation or prospect of expropriation
- Any increase or decrease in the value of the land that results from the enactment or amendment of a zoning bylaw, official community plan or analogous enactment made with a view to the development in respect to which the expropriation is made

Where the expropriated land includes a residence occupied by the owner, additional compensation in the amount of 5% of the market value may be paid for that portion used for residential purposes not exceeding 0.5 hectares. Compensation for tenants with leases of less than one year is limited to an amount equal to three months’ rent and reasonable moving costs.

In addition to compensation for the market value of the interest in the expropriated land, the owner is entitled to reasonable disturbance damages consisting of the following: the reasonable costs, expenses and financial losses that are directly attributable to the disturbance caused to the owner by

the expropriation and the reasonable cost of relocating on other land including reasonable moving, legal, and survey costs that are necessarily incurred in acquiring a similar interest or state in the other land. If it is not feasible to relocate the business, an additional amount may be included to reflect the amount of the good will of the business.

Compensation may also be awarded on a different basis where there is a limited market for the expropriated property (for example, churches or schools). In such a case, compensation may be based on the reasonable costs of rebuilding on another site, unless the owner elects to be paid in accordance with the regular compensation provisions of the *Act*.

The *Act* recognizes that, in some circumstances, the market value of the land may not include the value of a special economic advantage to the owner. This advantage may arise out of the owner's occupation or use of the land or the value of improvements made by an owner occupying a residence situated on the land. In those instances the value of the advantage is added to the market value.

It is also open to the owner to voluntarily transfer the property to the expropriating authority by way of an agreement.

Section 3(1) of the *Act* allows the owner and the expropriating authority, when they agree on all of the terms of the transfer except the price, to enter into an agreement for the voluntary transfer of the property. This allows the owner to avail himself of the advantages under the *Act* such as advance payment and determination of compensation and recovery of costs while allowing the authority to avoid the expropriation steps required by the *Act*.

Some expropriating authorities may try to work outside the provisions of the *Act* by simply offering to purchase the owner's land by way of an agreement of purchase and sale. An owner should be wary of entering into a private agreement outside the provisions of the *Act*. An owner who sells land to an authority without obtaining a section 3 agreement will lose the benefits the *Act* gives an owner, including the right to claim further compensation if, within the one-year limitation period, the owner discovers that he or she is entitled to greater compensation than was initially paid. There may also be tax consequences associated with the sale of the property outside of the *Act*. The owner should seek legal advice before finalizing any agreement with the expropriating authority.

Real Estate

PART-TIME COURSES AND PROGRAMS

- Property Management
- Strata Management
- Professional Building Manager
- Real Property Analyst
- Social Housing Management
- Short Courses in Construction and Development

LEARN MORE

www.langara.bc.ca

Contact Brian Pink at:
bpink@langara.bc.ca

Langara.

THE COLLEGE OF HIGHER LEARNING.



Guardians of the Great Bear Rainforest

Andrew Frank

On March 22, 2006, just after midnight, a flotilla of fishing boats raced across the icy waters of the Douglas Channel, on their way to Gil Island where an eerie glow hung low on the water. The *MV Queen of the North*, a BC ferry with 101 passengers on board, had run aground and was sinking fast. Acting with the speed and skill of a people who have made their living on the ocean for thousands of years, the Gitga'at saved the ferry's passengers, taking them back to their village and feeding them and keeping them warm in their community hall.

For their efforts, the Gitga'at received the Governor General's Commendation for Outstanding Service, for "initiative, selflessness and an extraordinary commitment to the well-being of others." Like the diesel fuel that still bubbles up from the ferry wreckage, polluting their nearby clam beds, it's a memory that's hard to forget.

GROUND ZERO IN THE GREAT BEAR RAINFOREST

To get to Hartley Bay, home of the Gitga'at Nation, you have to take a floatplane or ferry. If you're lucky, your fellow passengers will know the area well and they'll point out islands and narrow

THE GREAT BEAR RAINFOREST

The Great Bear Rainforest is one of the largest remaining tracts of unspoiled coastal temperate rainforest in the world. It measures roughly 70,000 square kilometres and reaches from the Discovery Islands in the south to the Alaskan-BC border in the north. The area is home to cougars, wolves, salmon, 1,000-year-old Western Red Cedar trees, grizzly bears, and the infamous Spirit Bear—a subspecies of the black bear in which one in ten cubs display a recessive white-coloured coat. Revered by the Gitga'at, these bears are called *mooksgm'ol*. They were never hunted or mentioned to strangers—a strategy to protect the bears from European fur traders.

passages with names like Squally and Whale Channel. You'll strain to keep your camera steady as you skim over rocky coves kissed by shallow waters the colour of turquoise, or you'll fly over pristine beaches bordered by rainforest and hopscotch over high peaks with scrubby alpine meadows and rainbow lakes, home to wolves, eagles, moose and the infamous white Spirit Bear. This is the awe-inspiring Pacific North Coast.

Hartley Bay lies in a protected cove at the confluence of three narrow channels and three islands. Totem poles stand guard and an old church, painted red and white, looks out over the bay. The village, with its small marina and network of raised boardwalks (there are no roads here), opens up onto the mouth of the Douglas Channel. This is ground zero in the oil industry's push to ship heavy oil from Alberta to China.

Calgary-based Enbridge has proposed to build twin pipelines, 1,177 kilometres long from Alberta's oil sands to a marine terminal in Kitimat. The pipelines would cross more than 800 rivers and streams, including the watersheds of the Nass, Skeena, Stikine and Fraser rivers, nurseries for Canada's largest salmon runs. If the project was ever approved, upwards of 225 oil tankers would travel through Gitga'at waters every year, zigzagging through some of the most unpredictable waters in the world.

Like a majority of affected First Nations in BC, the Gitga'at oppose the pipeline and have rejected Enbridge's offer of a 10% Aboriginal equity stake in the project. At a recent press conference in Vancouver, the BC Minister for Aboriginal Relations and Reconciliation, Mary Polak, said she was unaware of any BC First Nation that supports the project.¹ Many think it is simply too risky.

LIVING OFF THE OCEAN

To understand Gitga'at opposition to the Enbridge pipeline and tankers project, you need to understand the Gitga'at way of life, and to do that you must go to the ocean, to a place called Kiel.

Every year in early May, Gitga'at elders and their families make a pilgrimage from Hartley Bay to the western shore of Princess Royal Island, to the ancient fishing village of Kiel, a place where the Gitga'at have harvested and dried halibut and seaweed for thousands of years. Like other areas within Gitga'at territory, Kiel is rich with history. Rocks are carved with petroglyphs and the rivers and ocean yield abundant harvests of seafood



The village of Hartley Bay (top); sea lions on the rocks in the bay (above).

unimaginable in most other places. The Gitga'at, sometimes three generations at once, from age 6 to 91, will stay in Kiel for a month or more—as long as it takes—to catch, preserve and store enough food to last the year.

Forty percent or more of Gitga'at meals, and 80% of their protein, are sourced from the ocean, with foods like halibut, crab, salmon, prawns, cockles, mussels, clams, seaweed, oysters and herring. Delicacies include herring roe on kelp, and eulachon traded with nearby communities.

¹ <http://www.cbc.ca/news/canada/british-columbia/story/2012/07/23/pol-bc-pipeline-clark-gateway.html>

Andrew Frank, BA, MA
Communications Officer, Gitga'at Nation

From the beginning of time, the Gitga'at people have existed in their territory on what is now British Columbia's northwest coast. The well-being of their people is intricately related to the health of their lands, waters, and resources, and the community continues to work to sustain this abundance and richness. Andrew's role with the Gitga'at is to help share their stories with audiences outside the territory. To achieve this, he uses a mix of writing, video, and media relations skills, developed through his post-secondary studies in Communication and several years working as a communications specialist.





Ian McAllister

Campania Island, on the proposed route of Northern Gateway's oil tankers.

Families and their elders depend on a core group of harvesters comprised of members of each family who work on the ocean year round. These families are organized by house group, each with a *sm'oygit* (Chief) and ownership and stewardship responsibilities over particular lands, waters and resources. A matrilineal society, the clans' affiliations, crests, names and resource gathering areas originate from the mother's side of the family. All group members belong to the same clan, which is like a large extended family. The community has three house groups: Gispudwada (Killer Whale), Laxsgiik (Eagle), and Ganhada (Raven).

At feasts, house groups share the bounty of their resources and reaffirm their connection with their lands in the presence of invited guests. Feasts and potlaches are age-old traditions that reinforce the community's sense of sharing and identity. An oil spill could wipe them out for good.

THE BRIGADIER ZALINSKI

In 1946, the US army transport ship *Brigadier Zalinski* sank in the Grenville Channel not far from where the *Queen of the North* rests today. Like the *Queen*, the *Brigadier* sank with thousands of gallons of fuel on board. This spring, a ghostly slick emerged from the wreck, measuring five miles long and 200 feet wide.

It took front-page media coverage and sharp local criticism before the government took action, and even then they did what they've done before—they patched the holes in the hull and hoped for the best.

"This incident definitely raises questions about the federal government's ability to guard against oil spills and to honour its cleanup obligations," says Arnold Clifton, Chief Councillor of the Gitga'at Nation. "As a result, our nation has serious concerns about any proposal to have tankers travel through our coastal waters, including the Enbridge proposal."

To this day the Gitga'at will not fish near the wreck of the *Queen of the North*. With two passengers lost, the area is considered a graveyard.

LIVING IN FEAR OF AN OIL SPILL

For two days in early March of this year, the National Energy Board's Joint Review Panel, tasked with assessing the proposed Enbridge pipeline, visited Hartley Bay to hear oral testimony from the Gitga'at Nation. The shadow and stress that the project has cast over the Gitga'at people's daily lives was evident, as speaker after speaker brought the audience to tears, warning of the ramifications of an oil spill.

While resentful of having to explain themselves to strangers in their own community, the Gitga'at were also magnanimous, showing their legendary generosity and hospitality by inviting panel members to dance and feast in the community's cultural centre. After a meal of salmon, crab and fried seaweed, with frozen salmon berries for desert, the Gitga'at honoured their ancestors by burning plates of food on the fire. Elders with canes and accompanying grandchildren knelt down to carefully place these plates and say a prayer.

CHARTING THEIR OWN COURSE

Fifty-nine percent of British Columbians are opposed to the Enbridge Northern Gateway pipeline, and those who are completely opposed outnumber supporters by a five-to-one margin,² but it wasn't always this way. As little as a year ago opinion was divided, and First Nations, along with environmental groups, found themselves isolated in opposing something that very few people knew anything about.

At great cost and with limited financial assistance from the Canadian Environmental Assessment Agency, the Gitga'at commissioned studies by university experts to demonstrate their unique relationship with the land. The overall cost has placed a strain on enhancing social programs for children and youth in the community, but the ongoing challenge of having to deal with the victimization and legacies of residential school has made the Gitga'at more determined to never lose their connection to the land because it is, in essence, what defines them as a people.

In recent times they have begun to formalize their authority over the access and use of their territorial lands and waters,

"I'm supposed to be a father, son, husband, friend – how can I concentrate on being any of these knowing that my livelihood is threatened?"

– Cam Hill, Councillor, Gitga'at Nation

encompassing some 7,500 square kilometers. Such rights and management authority are recognized in the BC/Gitga'at Reconciliation Protocol Agreement³ and through agreements with marine operators, resource companies, and fishing and wilderness lodges.⁴

To monitor and ensure the health and safety of their territory, the Gitga'at run a Guardian program that includes patrol boats and training for members in marine safety, conflict resolution, and environmental monitoring. On a typical patrol, the Guardians might report suspicious fishing violations to the Department of Fisheries and Oceans, photograph and record whale sightings, and sample for environmental contaminants. The program is built on traditional-use knowledge and modern scientific methods to ensure the conservation and sustainability of the Gitga'at food supply. Through this program, the Gitga'at are the eyes, ears, and Guardians of the Great Bear Rainforest, continuing the commitment of their ancestors to protect the food chain for future generations.

2 Angus Reid Public Polling, August, 2012. <http://www.theprovince.com/technology/Poll+cent+oppose+Enbridge+pipeline+more+than+half+change+their+minds/7026150/story.html>

3 http://www2.news.gov.bc.ca/news_releases_2009-2013/2009PREM0078-000747.htm

4 <http://www.coastfunds.ca/about-coast-opportunity-funds> and <http://www.coastalfirstnations.ca/programs/renewable-energy>



Neighbourhood Energy Utility Heats Vancouver's Buildings Efficiently

In Vancouver's new Southeast False Creek (SEFC) community, home to the Olympic Village, an environmentally friendly, innovative neighbourhood energy system uses waste heat from sewage to provide space heat and domestic hot water to local buildings.

Neighbourhood energy systems provide the opportunity to use a variety of waste and renewable energy sources that would otherwise be unavailable to individual buildings. By recycling waste heat energy from sewage, the SEFC Neighbourhood Energy Utility (NEU) substantially reduces greenhouse gas

emissions from local buildings compared to conventional electric and natural gas heating systems.

In Vancouver, 54% of greenhouse gas emissions come from the combustion of natural gas to heat buildings. A key goal of Vancouver's *Greenest City 2020 Action Plan* (GCAP) is to reduce greenhouse gas emissions in buildings, and a priority strategy to achieve this is to develop cost-competitive, low-carbon neighbourhood energy systems. Since the Vancouver 2010 Winter Olympics period, the NEU has supplied more than 70% of the SEFC neighbourhood's total thermal energy demand through sewage heat recovery, with solar power and efficient natural gas boilers making up the balance.

When development in the SEFC area is completed (around 2020), the NEU will provide thermal energy to more than six million square feet of buildings and 16,000 residents.

HOW THE NEU WORKS

The NEU consists of three key components: 1) the False Creek Energy Centre that supplies thermal energy in the form of heated water, 2) an insulated hot water distribution pipe system that distributes thermal energy to SEFC buildings, and 3) heat exchangers and meters that transfer thermal energy from the distribution pipe system to customer buildings for space heating and domestic hot water supply.

The False Creek Energy Centre, integrated with a municipal sewage pumping station, recovers heat from untreated urban wastewater—a renewable energy source. Sewage that flows into the pump station is diverted to a filter that removes solids from sewage prior to the raw sewage being sent to the heat pump. Similar to a geothermal system, heat pumps are used

Chris Baber, P.Eng

NEU Manager, City of Vancouver

Chris Baber has served as manager for development and operations of the NEU on behalf of the City of Vancouver since 2006. Beyond the day-to-day management of the NEU service, Chris is active in the development of new low-carbon neighbourhood energy opportunities elsewhere in the city. More information on the NEU can be found at vancouver.ca/neu, and on the *Greenest City 2020 Action Plan* at vancouver.ca/greenestcity.





Although the NEU uses sewage heat recovery, it can be readily adapted to utilize a variety of renewable energy sources. This flexibility lets the system keep pace with advances in technology, future-proofing customer buildings and ensuring long-term energy security and affordability.

to transfer the heat energy from the sewage to the NEU's hot water distribution system.

After heat is recovered from the sewage, the wastewater is recombined with the filtered solids and pumped away to Vancouver's sewage treatment plant.

From the Energy Centre, a system of insulated underground pipes circulates hot water around the neighbourhood, distributing heat from the Energy Centre and from solar collectors atop some buildings. Energy transfer stations in each building exchange energy with the circulating hot water, metering the building's energy production and consumption for billing.

From the energy transfer stations, space heat and domestic hot water is delivered to residents by each building's mechanical system. These systems are owned and managed

by the residents, and can include radiant floor/ceiling systems, baseboard heaters and forced-air systems.

Although the NEU uses sewage heat recovery, it can be readily adapted to utilize a variety of renewable energy sources. This flexibility lets the system keep pace with advances in technology, future-proofing customer buildings and ensuring long-term energy security and affordability.

NEU BENEFITS

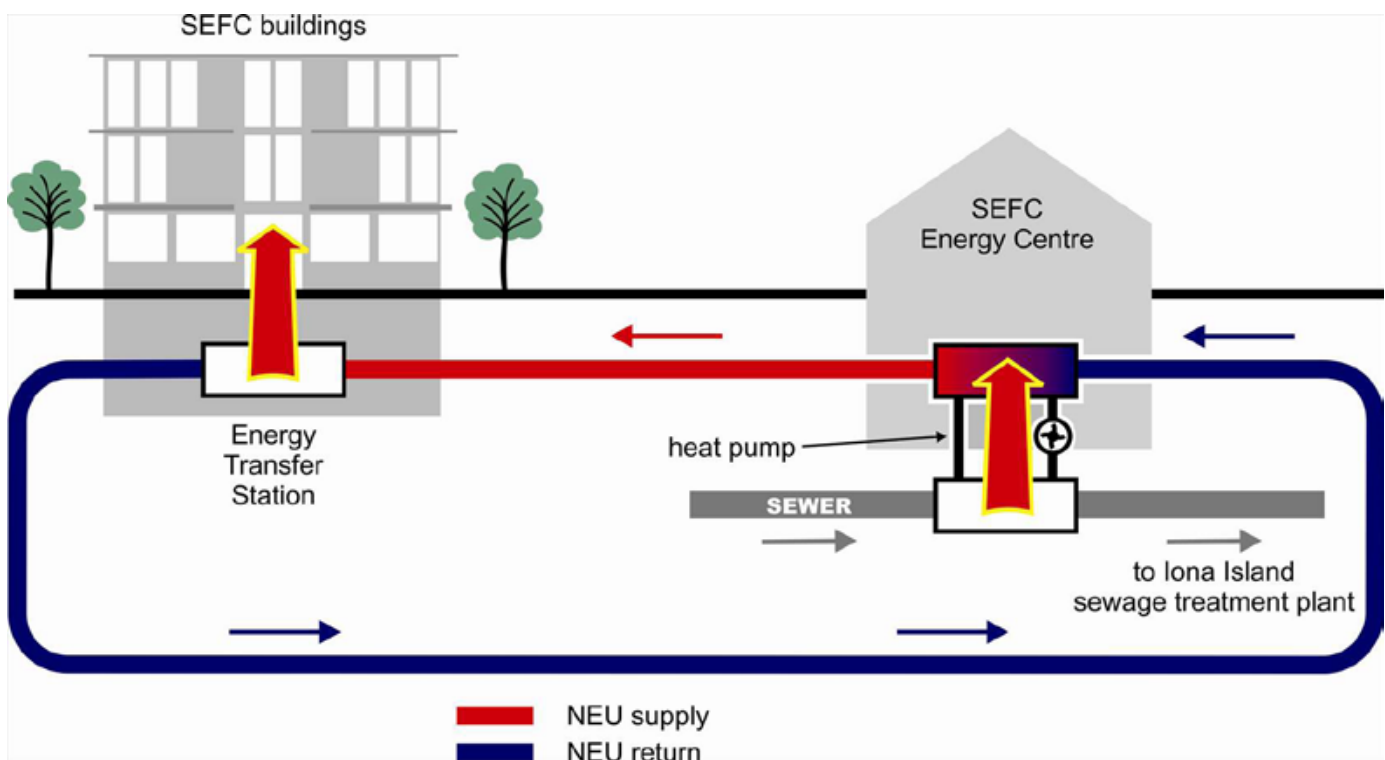
The NEU provides a variety of environmental, customer, and economic benefits.

Environmental Benefits

Low-carbon neighbourhood energy systems like the NEU provide the economies of scale and the utility business model necessary to use a variety of waste and low-carbon renewable energy sources that would otherwise be unavailable to individual buildings. Neighbourhood energy systems can significantly reduce the greenhouse gases used to provide space and hot water heating to buildings. For example, the NEU eliminates over 65% of the greenhouse gas emissions associated with the heating and hot water usage of the buildings it serves.

Customer Benefits

Through the NEU's use of low-cost waste heat and other local, renewable energy sources, NEU customers benefit from



City of Vancouver



long-term rate stability and affordability that outperforms conventional electricity and gas. The NEU also supports the use of radiant hot water heating systems in buildings that provide customers with a higher level of comfort at a lower energy usage. In addition, the NEU eliminates the need for heat production equipment from SEFC buildings, creating more space for green roofs and eliminating the costs and complications of hot water boiler and furnace maintenance for residents.

Economic Benefits

The NEU is a self-funded utility that provides a return on investment to the city's taxpayers, while at the same time providing competitive rates to NEU customers. The NEU helps SEFC building developers meet energy efficiency and green building requirements more cost effectively and at a lower risk as compared to the use of building-scale green energy options, such as geo-exchange.

MOVING FORWARD

The *Greenest City 2020 Action Plan* is a commitment to a prosperous, healthy and resilient future for our city. Building on the success of the NEU in Southeast False Creek, the City of Vancouver can make a strong contribution to the GCAP by providing cost-competitive energy through low-carbon, sustainable neighbourhood energy systems.

Other low-carbon neighbourhood energy system initiatives happening in Vancouver include:

- Vancouver City Council recently approved expansion of the NEU to serve the new Great Northern Way Campus development, located in the False Creek Flats area east of SEFC. All new developments will receive space and hot water heating service through the NEU.
- The River District development by ParkLane Homes, bordering the Fraser River in South Vancouver, uses a neighbourhood energy system that will recover waste heat from the Metro Vancouver Burnaby Waste Incinerator to heat seven million square feet of mixed-use development.
- The undeveloped north shore of False Creek, which will include approximately five million square feet of buildings, will include a low-carbon neighbourhood energy system.
- Large development sites: development sites larger than two acres require an energy study as a condition of rezoning. If there is a low-carbon neighbourhood energy system option that is competitive with conventional heating, it must be included with the development.
- Neighbourhood energy systems are being investigated and implemented at locations along the Cambie Street corridor.

Outside of Vancouver, development of low-carbon neighbourhood energy systems is also underway in North Vancouver, Richmond, Surrey, and at Simon Fraser University and the University of British Columbia.

RECOGNIZING OUR MEMBERS



Over 100 people were in attendance for the 2012 Recognition Dinner to honour longstanding commitment to the industry through REIBC membership. New and established members mixed and mingled while being entertained by jazz band Swing 2 Beat—featuring Past President Jacques Khouri. President Nathan Worbets (now Past President) emceed the evening.

Recognition of Service awards for 25, 30, 35, 40, and 45 years (there were no 50-year members this year) were presented to those members in attendance. Twenty-four members received their certificates in person, each having to answer a trivia question from the year that he or she joined the Institute. Real estate professionals have long memories, it seems!

After dinner, President Worbets talked about the Award of Excellence, reminding everyone of the criteria of the award. He introduced last year's winner, Mr. John D'Eathe, who presented this year's winner with the award. This year's Award of Excellence was presented to Mr. Robert Fawcett.

We said goodbye to Governor Wayne Yu, who is not returning to the Board for the 2012–13 year. Wayne received a framed certificate of recognition as well as a portfolio and pen. We thank Wayne for his hard work and dedication to REIBC.

This year, recognition was given to Past President Stephen Mullock, who served on the Board of Governors of the Real Estate Foundation for six years. Steve was appointed by the Institute in 2006 and become Chair of the REF Board in 2010. Steve, thanks for serving us so well!

With all of the awards completed and the thank-yous looked after, we were entertained by the Langley Ukulele Ensemble. These young people were absolutely terrific, playing for almost one entire hour and receiving a standing ovation.



From top: John D'Eathe presenting the Award of Excellence to winner Robert Fawcett; President Nathan Worbets thanks Wayne Yu for his service to the Institute as a Governor (left) and Stephen Mullock for his years of service representing REIBC (right); Langley Ukulele Ensemble.



25-Year Members

Zeone Andrijaszyn	Ron Kunciak
Douglas Avis	Andrew Leung
Dean Bauck	Linda MacCaskill
Garth Cambrey	John MacDonald
Roger Chong	Rory Macleod
William Chow	Laurie McDonald
Patrick Conroy	Gary Mirtle
Rodney Cook	James Moran
Dale Crosson	Brent J. Morgan
Brian Davies	Robert Moss
Alan Delisle	R. Bruce Newby
Chris Dumfries	Dennis Parkhill
Kelly Gesner	Calvin Ross
Greg Gourlay	Frederick Schmidt
Elmer Grenke	John Schubert
Philip Gustin	Courtney Smith
Brian Hagerman	Paul Sobieski
David Hilliard	Justin D. Stubbs
Kenneth G. Isard	R. Scott Ullrich
Geoffrey Johnston	Lorne Wiggins
Gregory Jones	Bill Wilson
Kathryn Jones	David G. Y. Wong
Jacques Khouri	

30-Year Members

Rod Adam	Kenneth Myette
Arthur Bennett	Alex Ning
Peter Bretherton	Derwyn Owen
Timothy Callaghan	Michael Robinson
Stephen Cunningham	Barbara Mary Smith
Barry Fenton	Wayne A. Smithies
Albert Hill	Thomas K. Swann
Robert Hopp	Bruce Tanner
Marlene Johnson	Victor J. Teng
Stanford Korsch	Dyne Torgeson
Orville D. Lim	Mark Wooldridge
Kenneth MacKenzie	

40-Year Members

Graham Allen
Kent Ball
William Barnes
John D'Eathe
Stanley W. Hamilton
Thomas Johnstone
Rudy Nielsen
Donald Taylor

45-Year Members

Barry Groberman

35-Year Members

Robert Bailey	Donald Lawrenson
Andrew Barnes	Douglas Munro
William Brown	Susan Pearson
James Crisp	Robert Penney
Robert Forrest	Ken Tunnicliffe
Richard Gordon	Fred Turner
Ada Ko	Steven Wong



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

We thank the BC Real Estate Association for its sponsorship of this event. This is the second year that BCREA has provided sponsorship and REIBC is grateful for this kind contribution.

ANNUAL GENERAL MEETING

On June 14, 2012, REIBC held its Annual General Meeting at the Terminal City Club in Vancouver. There were 31 members present, reaching quorum. This year there were changes made to the bylaws that the Board of Governors asked the membership to approve: chapter structures will change so that a Chair can only hold the position for one term (2 years) and a Director can only serve for 8 years; the Honorary Member status will change to specially recognize such members with Honorary or HON to follow their RI designation; the Institute's auditors cannot be a member or a staff person of the Institute; and a confidentiality clause

will be added to the Code of Professional Conduct. The special resolution containing all of these changes was passed unanimously.

The financials were presented to the membership for approval—and it was a good year to do this! The Institute had a \$50,000 change in position over last year and at the end of the 2011–2012 year had a \$32,000 surplus. This is the first time in several years that a surplus has been achieved.

The AGM concluded its business by appointing the firm of Rolfe Benson LLP to conduct the audit again next year.

BOARD OF GOVERNORS

Also announced at the AGM was the 2012–2013 Board of Governors and the Executive, as follows:

GOVERNORS

<i>Cariboo/Northwest/ Prince Rupert</i>	John Castle
<i>Fraser Valley</i>	Bonnie Knight
<i>Kootenay</i>	David Graham
<i>North Fraser</i>	Mandy Hansen
<i>Thompson Okanagan</i>	Tracy Wall
<i>Vancouver</i>	Andre Gravelle, Ken Sherk, Troy Abromaitis, Jason Grant
<i>Vancouver Island</i>	Peter Bretherton, Mark Litwin

EXECUTIVE

<i>President</i>	Andre Gravelle
<i>President-Elect</i>	Mandy Hansen
<i>Vice-President</i>	Mark Litwin
<i>Secretary/Treasurer</i>	David Graham
<i>Past President</i>	Nathan Worbets



Troy Abromaitis, RI

Troy Abromaitis started in the real estate profession seven years ago. He is currently at Wallmark Homes Ltd., where he works on creating single-family, custom and multi-family homes. Troy works in all areas at Wallmark

Homes and loves the diversity of what he does.

Troy has been an RI for six years and during that time has served as the Vice-Chair for the Vancouver Chapter, a Vancouver Chapter Director, and also the Co-Chair of the Climate Change Committee. He currently sits on the Member Services Committee and has done so for the last two years. Troy looks forward to serving on the Board of Governors, viewing it as a rewarding opportunity to see other facets of the industry and meet other professionals who share the common goal of enhancing the Institute. Continuing his quest for excellence, Troy has also found the time to learn salsa dancing with his girlfriend; the two have been taught by a world-class dance instructor.



Jason Grant, RI

Jason has been with BC Assessment since 1991 and is currently the Area Assessor for the Vancouver Sea to Sky Assessment region. He oversees the creation of annual property assessments for over 300,000

properties worth approximately \$300 billion. Jason has a diploma in Urban Land Economics from UBC and a diploma in Real Estate Studies from BCIT, and is an executive member of the BC Chapter of the Canadian Property Tax Association. Jason joined REIBC in 1994 and has been active in the Vancouver Chapter since 2005. He has actively promoted and participated in numerous real estate industry functions, seminars, conferences, and charity events.

The opportunities for education and networking that the Institute has provided over the years have been incredibly valuable to Jason. He pursued the position of Governor because he really wants to contribute to shaping the future of the Institute to ensure that it continues to provide opportunities for future generations of real estate professionals. Jason is a lifelong resident of North Vancouver where he resides with his wife and two children.



Back row, left to right: Peter Bretherton, Bonnie Knight, John Castle, Jason Grant, Tracy Wall, Troy Abromaitis.

Front row, left to right: Nathan Worbets, Andre Gravelle, Mandy Hansen, Mark Litwin, David Graham. Missing: Ken Sherk

CAREER NOTES: PROPERTY MANAGEMENT

I have worked in the real estate industry as a Property Manager with Gateway Property Management Corporation for almost 30 years and have never regretted it. I believe that to be a good Property Manager requires education, communication skills, and common sense.

I started out in this profession after university but continued my education by going to UBC and getting my diploma in Urban Land Economics. I also enrolled in the Certified Property Manager program through the Institute of Real Estate Management. Upon completion of my diploma I became a member of the Real Estate Institute of BC. I found the education and networking opportunities through REIBC exceptionally helpful and I made a number of valuable contacts.

WHAT DOES A PROPERTY MANAGER DO?

As a Property Manager you are entrusted with assets worth millions of dollars. Each building is like a business with you being the entrepreneur whose goal it is to make it a success. Even in strata management where bottom line income is not the goal, your success is measured by how efficiently the building is being maintained.

A day in the life of a Property Manager will have you negotiating with tenants and trades. It will have you reviewing proposals and making recommendations. You will be reviewing several financial and operational reports. You typically will be out in the field at your buildings for at least half of your time. And you will get daily challenges that will stretch your time management skills.

WHAT MAKES A GOOD PROPERTY MANAGER?

1. You have to enjoy working with people. You will find a good portion of every day is devoted to interactions with tenants, owners, site staff and various trades. You need to be a good negotiator as well as a diplomat.
2. You need a solid understanding of basic accounting and finance. You will be preparing and reviewing several accounting reports. Numbers are a big part of property management.
3. You need to be a bit of a lawyer. In addition to understanding contracts there are several pieces of legislation that affect real estate and the property management industry.
4. You have to have that entrepreneurial spirit. You will need to know a little about a lot of things: marketing, maintenance, building envelope, and mechanical systems, just to name a few.

HOW DO YOU GET A JOB AS A PROPERTY MANAGER?

In British Columbia your first step may be to get licensed as either a Property Manager or Strata Manager under the *Real Estate Services Act* (licensing is not required if you are an employee of the owner of the real estate).


If you are a student, check with your school as many of them have real estate clubs or may hold career fairs. Also, joining an organization like REIBC as a Student member gets you those networking opportunities with potential employers.

If you have the right attitude and the proper skills, property management will be as rewarding a profession to you as it has been to me all these years.



Scott Ullrich, R.I., F.R.I., B.A., Dip(ULE), CPM, CA
Property Manager, Gateway Property Management Corporation

Prior to joining Gateway Property Management in 1983, Scott was a Chartered Accountant with Deloitte & Touche, where he specialized in auditing and consulting for a variety of real estate companies. He has served as President of the BC Chapter of the Institute of Real Estate Management, the British Columbia Apartment Owners and Managers Association, and the Real Estate Institute of British Columbia. He has served on the Property Management Advisory Committee for the Real Estate Board of Greater Vancouver and was also an Instructor at UBC. This year, Scott was appointed as Governor to the Real Estate Foundation of BC and the Property Management Advisory Group for the Real Estate Council of BC. Scott has also served on a number of not-for-profit boards.



The Economics of a Pipeline: Northern Gateway

In May 2010, Enbridge—the world's largest crude oil and liquids pipeline system operator—submitted its application to the National Energy Board requesting approval for the Northern Gateway pipeline project. The \$6 billion project consists of a crude oil export pipeline, a condensate import pipeline, and a marine terminal located in Kitimat. The purpose of the project is to export oil sands heavy crude, called bitumen, to Northeast Asia where it can be upgraded and refined into petroleum products to fuel the Asian economy.

Bitumen is too dense to flow through pipelines unassisted so it must be mixed with a diluent (diluting agent) such as condensate to allow it to flow. Canada doesn't produce enough condensate to get the bitumen flowing in the export pipeline, so unless bitumen is upgraded in Alberta instead of being exported, Canada will have a growing reliance on importing condensate.

Enbridge and the Canadian government have jointly claimed this pipeline would be an engine of national economic growth. Enbridge states the project represents \$270 billion in gross domestic product over thirty years and an enrichment of government coffers by \$81 billion—the same \$81 billion Premier Christy Clark claims she would like to see BC share in so our province can cover the costs of inevitable oil spills. The problem is these benefit claims don't stand up under scrutiny. The numbers underlying Enbridge's economic case tell us that by securing a higher price for oil sands crude in Asia, this price will also be passed on to all barrels of oil produced and sold in Canada—not for one year but for thirty. Higher prices for our petroleum products with Northern Gateway than without it seems like a perverse market outcome, but Enbridge has confirmed this is what their benefits case relies on.¹

The rosy projections also depend on the Canadian dollar falling to eighty-five cents US by 2016 and remaining there

until 2045.² Because our dollar is a petro-currency, its value increases along with the price of oil—so to hold the Canadian dollar artificially low and fixed for thirty years is ridiculous. This assumption applied to Enbridge's model significantly inflates the benefit calculation. Moreover, the Enbridge report makes no attempt to estimate how higher oil prices in Canada, or an appreciating Canadian dollar, could affect consumers or other economic sectors such as tourism, manufacturing, fishing, forestry, or agriculture.

Taking a hard look at the promised prosperity from this project reveals that what should be an economic opportunity for Canada is actually a diminution of our domestic ability to achieve value-added diversification and development of Canada's oil resources, as well as a threat to our long-term energy security.

A DOMESTIC LOSS

Exporting raw bitumen means exporting its upgrading and refining potential to other countries along with capital investment, high-paying value-added jobs and control over environmental and labour standards. If Northern Gateway is to ship unprocessed oil resources, it will be at the expense of upgrading and refining in Canada—much like what has happened to BC's forestry industry and the export of raw logs. This action not only hollows out processing potential in the oil sector and leads to job losses, it artificially inflates the value of our dollar and negatively impacts industrial activity throughout the country.

This wasn't always the plan. In 2008, there were ten upgrading and a number of refinery projects slated for construction in Alberta to complement the industry's growing bitumen supply. Then came the financial crisis and upgrading and refinery

1 Enbridge Northern Gateway Project Application, Volume 2, Economics, Commercial Financing, page 1-13.

2 Ibid., Appendix B, Wright Mansell Report, page 25.

potential was moved to the US and offshore. Bitumen output has recovered—domestic downstream processing has not.

The purpose behind Northern Gateway, Keystone XL, and the recently announced Kinder Morgan twinning of TransMountain pipeline is to move heavy oil sands bitumen out of the country. If we were to process bitumen in Alberta, much less pipeline capacity would be needed. Exporting bitumen not only requires dedicated lines to import diluent for mixing, but by the time it mixes with bitumen to get it flowing, roughly 20–50% more volume is created, necessitating even more pipeline capacity.

Dilbit, the bitumen-diluent mix that flows through pipelines, is toxic and environmentally challenging. Unlike conventional oil that sits on the surface, when dilbit hits water the diluent evaporates and heavy bitumen sinks. Bitumen's chemical properties present significant environmental cleanup and restoration challenges in the case of a pipeline rupture and spill. Case in point is Marshall, Michigan where more than 20,000 barrels of dilbit spilled from Enbridge's line 6B in July 2010. Much of it reached the Kalamazoo River. It took almost two years and cost Enbridge Energy Partners more than US\$800 million in cleanup costs before the 63 kilometres of affected waterway could be reopened.

The significant economic and environmental advantages from upgrading bitumen domestically are why Stephen Harper promised during his re-election campaign in 2008 that bitumen would not be exported to Asia. His government continued to publicly extol this policy until Enbridge filed its application for Northern Gateway in June 2010.³ Lower labour and environmental standards in Northeast Asia make it cheaper to process bitumen into petroleum products. If Northern Gateway goes through, will we be told Canadian refineries like the Chevron plant in Burnaby are not competitive and need to shut down? Will we end up importing our petroleum products from "more productive" foreign markets? Only after it's too late to take remedial action will the value of the Canadian dollar

plummet and more accurately reflect the gutting of industrial capacity now taking place?

WHO SHOULD GAIN FROM CANADIAN OIL RESOURCES?

If Northern Gateway isn't an economic growth-generating opportunity for Canada, what does it represent? By stepping back and taking a look at the bigger picture—like who the players behind the project are—it becomes clear that the Enbridge Northern Gateway project isn't about a pipeline, it's about Canada's energy strategy.

Canada has an energy strategy? Yes, it's just not determined by Canadians for the benefit of Canada. Our energy strategy is determined in the boardrooms of a handful of multinational corporations invested in the Northern Gateway approval process—such as Suncor, Total, Nexen, MEG Energy and Cenovus, and by governments of foreign countries through their National Oil Companies such as Sinopec and the Chinese National Offshore Oil Company.⁴

Chinese state-owned Sinopec has invested in crude oil production in Canada, including a 9% stake in Syncrude and investment rights in Northern Gateway. Sinopec also owns a fleet of oil tankers and is China's largest refiner and distributor of petroleum products. Chinese National Offshore Oil Company has a 17% interest in MEG Energy and recently announced its intended \$15 billion takeover of Nexen. Buying Nexen gives the state-owned company a direct right to the Northern Gateway project through Nexen's existing share. According to Enbridge

3 What happened to the bitumen export ban?, *Macleans*, May 29, 2012.
<http://www2.macleans.ca/2012/05/29/what-happened-to-the-bitumen-export-ban/>

4 See "Oil giants back gateway pipe," *Globe and Mail*, January 4, 2012.
<http://www.theglobeandmail.com/report-on-business/oil-giants-back-gateway-pipe/article1357505/>
and "Oil Sands Producers throw support behind Northern Gateway," *Financial Post*, January 5, 2012.
<http://business.financialpost.com/2012/01/05/oilsands-producers-throw-support-behind-northern-gateway/>

Robyn Allen, BA, MA
Economist

Robyn Allan is an independent economist and former CEO of the Insurance Corporation of British Columbia and CFO for Parklane Homes. Robyn has held many senior executive positions in the public and private sector with an emphasis on insurance, finance and real estate. She was the Economic and Financial Adviser to the Barrett Commission of Inquiry into the Quality of Condominium Construction in British Columbia and lead author for the various reports produced by the Commission. Robyn has also been a consulting economist and has provided strategic business management and public policy advice to senior personnel in the private sector and in government on a wide variety of issues, with emphasis on investment, corporate restructuring, international trade and business development.

Robyn has a Bachelor of Arts in Canadian History and a Masters Degree in Economics, both from UBC. She was awarded the Forty Under Forty distinction from *Business in Vancouver*, and was named by *The Financial Post* as one of Canada's top 200 CEOs. She has written extensively on the economics of Northern Gateway and is a member of Canadians for the Great Bear. Her reports are available at www.robynallan.com.



CEO Pat Daniel, Chinese state-owned PetroChina has expressed an interest in building the pipeline and investing in the project.⁵

PetroChina's bid to build the pipeline would be supported by the new Temporary Foreign Worker Program included in the vast changes in Budget Bill C-38 that were recently rushed through the parliamentary approval process by the Harper government. Not only can imported foreign pipeline construction workers be paid 15% less under the program than the going rate for construction workers in BC and Alberta, other major changes in C-38 are intended to reduce costs and policy barriers for this corporate-driven energy strategy.

Oil producers believe they will achieve higher prices for exported oil sands bitumen than for upgrading in Alberta. When they do, they will pass them on to Canadian consumers and businesses. Canada's current energy strategy means higher—not lower—petroleum product prices for Canadians.

We know Canada is an oil exporter, but most people are not aware that Canada imports almost 50% of its crude oil needs. Eastern Canada depends almost exclusively on more expensive foreign markets—the same markets the US and China are trying to protect themselves from by importing our crude oil. What a meaningful Canadian energy strategy could do is ensure upgraded bitumen is shipped to eastern

Canadian refineries, thereby removing the need for—and environmental threat of—the Northern Gateway pipeline and the Kinder Morgan expansion. In the process, gasoline and other petroleum product prices could fall and our trade balance improve, supporting a Canadian dollar driven by real, not inflationary, forces.

Canadians need an energy development plan that protects the long-term industrial needs of all regions of the country, along with a stable and sustainable pace of natural resource development. This strategy will not be developed in the boardrooms of Big Oil. Financial gain for oil companies—many of them with interlocking upgrading and refinery relationships in other countries—is at the expense of an effective energy strategy in Canada. Corporate interests and the energy security policy of foreign governments, actively supported by the federal and Alberta governments, are at odds with the rest of the country's economic needs and environmental standards. This is the standoff, this is the line in the oil sands.

⁵ PetroChina bids to help build \$5.5 billion Northern Gateway, *Financial Post*, March 28, 2012. <http://business.financialpost.com/2012/03/28/petrochina-bids-to-help-build-5-5-billion-northern-gateway-pipeline/>



Canada's most authoritative voice in real property valuation!

When the market's changing, whom can you trust? The experts: AIC professionals.

We are Canada's leading authority in real property valuation. Designated AIC members can help you make smarter choices with in-depth analysis, market insights and practical solutions — from acquisition and development to management and disposal. Get the real property experts working for you.

Consult an AIC professional. Look for members who hold the AACI, P.App or CRA designation.



Appraisal Institute of Canada
British Columbia

Suite 210 – 10451 Shellbridge Way
Richmond, BC V6X 2W8

t: 604-284-5515 • f: 604-284-5514
info@appraisal.bc.ca • www.appraisal.bc.ca

Anita Farrar, RI

Appraiser, BC Assessment



Anita volunteers for many different organizations that she feels strongly about. She has always loved music and 15 years ago decided to volunteer for the Okanagan Symphony. She is now the volunteer coordinator—a full-time volunteer position. The symphony has monthly concerts from September to May, and then over the summer there are two fundraising galas. Anita's love of all music is increased the more she volunteers with the symphony. She has learned to appreciate and understand classical music while listening to the hard-working and talented musicians.

Anita also volunteers for a store called Ten Thousand Villages that assists over 30 countries in the world, enabling impoverished artisans to sell their products for a fair wage that helps provide clothes, water, and schooling. It is mostly women who make the products and this allows them to earn a living and provide for their children. Anita has been volunteering here for a year and a half, on weekends and her flex days.

She also works with the Multicultural Society of Kelowna. In this role, Anita is appointed to a family that has just arrived in Kelowna. Anita speaks fluent Spanish so she is able to assist the Latino families that arrive there. For a period of two years she works with the family to assist them in learning the bus system, the library system, the school system, and generally acclimatizing to the new city. She helps to find them housing and assists them in any other areas that are required.

Back to music, Anita also volunteers for the Salmon Arm Roots & Blues Festival and any and all arts festivals that she can. She

volunteers for the Canadian Gold Medal Plates, which is a yearly fundraiser in Kelowna for the Canadian Olympic Foundation (whose mission is to generate support to meet the needs of Canada's high performance sport system and assist Canada's athletes in becoming ambassadors for sport, healthy living and the pursuit of excellence across the nation).

Anita says that volunteering is a great way to learn, and that each time she volunteers she learns something new. She cares a great deal about what goes on in the world and volunteering is her way of giving back.

Do you know some RI members who should be recognized for the good work they do giving back to the community? Please tell us about them!

Contact us: info@reibc.org

Involved in Real Estate in BC?



REAL ESTATE FOUNDATION

Join your peers from across BC to celebrate!

www.refbc.com/landawards

2012 Land Awards — Honouring BC's Leading Land Champions

Black tie celebration with special guest Ed Begley, Jr. and live entertainment

October 26, 2012 | \$225

Four Seasons Hotel, Vancouver

SPONSORS: BC Housing, BCIT School of Construction and the Environment, British Columbia Real Estate Association, CTV, Gateway Property Management Corporation,

The Globe and Mail, RBC Wealth Management – PH&N Investment Counsel, News1130, Real Estate Council of British Columbia, Real Estate Institute of British Columbia, Ridgewood Capital Asset Management, Sauder School of Business – Real Estate Division, Sharkbite Art + Design, Sotheby's International Realty Canada, Vancity



BRITISH COLUMBIA





Noel Gyger

The Land Makes the People, the People Don't Make the Land

The issue raised by the Enbridge Northern Gateway Pipeline proposal is a serious one for Northwestern BC. We have a saying here: “The land makes the people, the people don't make the land.” The history of this land is implicitly connected to the people that live here. When you first arrive, the strong connection between the land and people makes a lasting impression. The environment sustains our culture, economy, and very way of life. To threaten it is to threaten who we are.

The Northern Gateway Pipeline would have twin 1,170-kilometre pipelines constructed from just north of Edmonton through to the West Coast in Kitimat, BC. After traveling through the Rocky and Coast mountains and over more than 1,000 streams and rivers, the unrefined bitumen would be loaded on supertankers as long as the Eiffel Tower is high, some eight times the size of the Exxon Valdez. Every year, more than 225 of

these supertankers would navigate the narrow and sometimes dangerous northern coastal waters through some of the most stunning places in Canada.

The region is very familiar with and usually supportive of development of our resources. We have mined, logged, fished, and sustained ourselves with this wealth for many generations. One consistent belief across the North is that the land supports us and we must support the land. It is this cultural fabric that holds us together and any threat to the land affects people at their core.

After looking at this pipeline and tanker proposal for a number of years the question has boiled down to risk versus benefit. Can we trust Enbridge in the safety of the pipelines? Can we trust in the oil supertankers tied to this project to safely travel through the Hecate Strait and Douglas Channel to Kitimat thousands of times? Can we trust in the Government of Canada to have strong regulations around pipeline safety?

Over the past decade, Enbridge pipelines account for more than 2.3 million litres of spilled oil in Canada.¹ It is not a question of whether or not the Northern Gateway project will have a spill, but rather it is a question of when. This year we've already seen enough oil spills that the Government of Alberta, a staunch proponent of the project, is reviewing all of its pipeline regulations.

In the United States, the National Transportation Safety Board recently released its report on the devastating July 2010 Enbridge spill in Michigan that saw more than three million litres of bitumen spill into the Kalamazoo River. The report identifies "a complete breakdown of safety at Enbridge" and stipulates that Enbridge was inadequate in its assessment and repair of cracks and defects. Furthermore, Enbridge knew of the cracks in the pipeline for five years before it finally failed.²

The report is a body blow of breathtaking proportions to Enbridge and yet another wake-up call to the Northwest and Canada of the dangers of allowing a pipeline through our watersheds. The National Transportation Safety Board report goes on to specify which US pipeline regulatory requirements weren't sufficient to ensure the safe operation of the pipeline, many of which are more stringent than those in Canada. Within days of this report's release Enbridge had yet another spill from one of its pipelines.

For decades, due to safety concerns, Canada has had an unofficial moratorium on crude-oil tanker traffic off the northern coast of BC. In 2010, I was successful in passing a motion in the House of Commons to have the government legislate that moratorium. Ultimately though, the Conservative government ignored that opportunity to protect the West Coast's unique and diverse ocean ecosystem, as well as the preservation of the marine resources that sustain BC's coastal communities and economies, and to honour the extensive First Nations rights and title in the area.

As part of the consultations I held in regards to my moratorium motion and on the Northern Gateway pipeline, I've spoken



Greg Brown

On the Douglas Channel.

to many seasoned ship captains with lifetimes of experience sailing the north coast waters about their concerns over supertankers traveling to Kitimat. Many, if not most, have strong doubts that the thousands of supertankers will be able to safely travel the route without ever once making a single critical error.

I just recently brought some of my NDP colleagues on a boat tour of the Douglas Channel to show them how dangerous it would be for these massive ships to navigate. Along with three 90-degree hairpin turns, the width of Douglas Channel is only 1.35 kilometres, far narrower than the 10-kilometre channel width at the site of the 1989 Exxon Valdez disaster. Furthermore, the number of marine vessel incidents along

1 Data originally compiled by Polaris Institute. Girard, Richard. *Out on the Tar Sands Mainline: Mapping Enbridge's Web of Pipelines. A Corporate Profile of Pipeline Company Enbridge*. 2010. <http://www.tarsandswatch.org/files/Updated%20Enbridge%20Profile.pdf>, pg 55-56. Accessed August 3rd, 2012.
NB: Added to the list from this document is the 1,450 barrels from the Elk Point, Alberta spill. Figure from Alberta's Energy Resources Conservation Board (ERCB), <http://www.theglobeandmail.com/globe-investor/third-oil-spill-fuels-calls-for-alberta-pipeline-review/article4352760/>

2 National Transportation Safety Board. 2012. *Enbridge Incorporated Hazardous Liquid Pipeline Rupture and Release, Marshall, Michigan, July 25, 2010. Pipeline Accident Report NTSB/PAR-12/01*. Washington, D.C.

Nathan Cullen, MP Skeena-Bulkley Valley Official Opposition House Leader

Nathan Cullen was elected in 2004 as MP for Skeena-Bulkley Valley, and has since been re-elected three times. After finishing third in the 2012 NDP Leadership Race, Nathan was named the Official Opposition House Leader in April 2012. Before elected life, Nathan was a small business owner and community organizer in Northwestern BC. His expertise was in strategic planning and resolving conflicts for businesses, government, and non-profit agencies throughout the province.

Within his role as an NDP MP, Nathan has served as the advocate for Environment and Parks, from 2008–2011 was the Critic for Energy and Natural Resources, and most recently served as Chair of the Standing Committee on Privacy, Access to Information and Ethics and was the Associate Critic for Natural Resources.

With his wife Diana and his sons Isaac and Elliot, Nathan lives in Smithers, and when time allows is a sport and outdoor enthusiast.





Fishing for salmon in the Zymoetz (Copper) River.

Noel Gyger

Canada's Pacific Coast from 1999-2009 was 1,275,³ which is over two incidents per week.

The implicit threats that Enbridge's proposed dual pipeline project pose to land and sea have already profoundly affected communities across the north, especially First Nations. We have another saying in the Northwest: "When the tide goes out, the table is set." The ocean and land do not just provide a job or a meal for us, they are our way of life. And this way of life—our many established salmon-based economies, which account for over \$1 billion of BC's economy—is being put at risk.

After the construction phase of the Northern Gateway project, when the short-term construction jobs will have dried up, only 78 permanent jobs will remain in BC.⁴ To put so much at stake for so little benefit is neither in our interests nor that of the country.

Most of my constituents are just as concerned as I am at the potential for an environmental catastrophe stemming from this project. Many are worried about what having a pipeline and the risk of a spill in their backyard will do for their property values and insurance premiums. The risks of the pipeline and supertankers have resulted in more than 4,000 people signing up to speak to the National Energy Board Joint Review Panel

that is doing the environmental assessment for this project under a great deal of political pressure.

The Conservative government has sought to silence the voices of Canadians who have the audacity to hold a different opinion on this project. Those of us who are opposed to the project have been labeled "radicals" and "enemies of the state" by the Harper government for getting involved in the public hearings to express our concerns over the risks of a spill and our opposition to the project. To use such inflammatory language is beneath the office of Prime Minister and tears at the very democratic fibres of our society.

As I posed earlier, can we trust in the safety of the pipeline, the supertankers, and our much-weakened regulations? I'm forced to remember the many powerful testimonies I heard while attending different hearings. I'll never forget how one after another, people spoke with deep passion for the land and the ocean, and the necessity of protecting this gift for future generations. The threat that the Enbridge pipeline poses to our lives and livelihoods is absolutely unacceptable.

³ *Living Oceans, Marine Vessel Incidents in Canada's Pacific Waters*. 2009.

⁴ *Enbridge Northern Gateway Pipelines. "Benefits for British Columbians."* <http://www.northerngateway.ca/economic-opportunity/benefits-for-british-columbians/>, Accessed Feb. 15, 2011.

REIBC's 19th Annual Charity Golf Tournament

On July 20, 2012, the Real Estate Institute of British Columbia held its 19th Annual Charity Golf Tournament at the beautiful Northview Golf and Country Club in Surrey, BC. REIBC would like to thank everyone who participated in our fun-filled tournament in support of the Make-A-Wish Foundation of BC and Yukon. As a result of sponsorships and participation, the tournament was a fantastic success—raising \$27,000 to help make special wishes come true for the children of our region. Over the years, REIBC has raised more than \$375,000 through this annual golf tournament.

The mission of the Make-A-Wish Foundation is to grant the wishes of children with life-threatening medical conditions in order to enrich the human experience with hope, strength, and joy. The Make-A-Wish Foundation of BC and Yukon was the first Canadian chapter and the first chapter outside of the United States. Since 1983, it has granted almost 1,500 children's wishes. Each wish provides a child and his or her immediate family a carefree and joyful experience that is far from the stress and anxiety of having a life-threatening medical condition.

Ten-year-old Katrina Mclvor, diagnosed with Cystic Fibrosis and taking upwards of 30 pills per day to combat the disease, had a wish to swim with the dolphins. On May 2, 2012, thanks to last year's REIBC golf tournament donation, the Make-Wish-Foundation was able to make Katrina's wish come true. The Mclvor family (mom Kelly, dad Kent, sister Kiarra, and Katrina) travelled to Orlando, Florida to visit SeaWorld and Discovery Cove for an all-inclusive tropical getaway. It was our pleasure to have the Mclvor's join us for dinner after the tournament to hear first-hand about their exciting experience. Kelly spoke on behalf of the family and expressed their gratitude for this fabulous experience. "We call Katrina our Little Mermaid," she said. "We had an absolutely fabulous time. Every detail was taken care of and it brought our family together outside of the illness."



REIBC donates last year's tournament proceeds to the Make-A-Wish Foundation (top); Katrina Mclvor with younger sister Kiarra (above left); happy golfers.

Since 2000, the George M. C. Whyte Award has been presented to a person who best exemplifies the giving spirit of REIBC and the Make-A-Wish Foundation. This award was established in memory of the late George Whyte, an avid golfer and active supporter of REIBC, a former Chair of the Real Estate Council of BC, and husband of Past President Judi Whyte. Judi presents this annual award to recognize an individual who donates his or her valuable time to charitable organizations.

We are pleased to announce that this year's recipient of the George Whyte Award is Mr. Scott Ullrich. Scott is a Chartered Accountant, certified Property Manager, a Fellow of the Real



Estate Institute of Canada, President and CEO of Gateway Property Management Corporation in Delta, and a long-time volunteer with local, provincial, and national organizations. When not working or spending time with his family, Scott may be found travelling the country on one of his motorcycles or playing a round of golf. Unfortunately, Scott was unable to attend this year's tournament. The award will be presented to Scott at a REIBC event later in the fall. Congratulations Scott!

We would like to give a big thank-you to all golfers for their enthusiastic participation and generous support of this tournament. We also thank: Austin Metal Fabricators, Halse-Martin Construction Company, and Bowers Medical Supply for their cash donations; Woodrow Chao and Sheng Gan of Initial Print & Copy Centre for printing our golf event brochure; Randy Brown at Dominion Blue Digital Reprographics for printing the table brochure; and Mike Kerr and staff at Kerr's Recognition Services for the golf shirts and signage.

Special thanks to Shane Foxman, CBC Sports Anchor, for his services as our emcee and auctioneer, and a huge thank-you to BFL Insurance Services, Freeway Mazda, and Dueck Auto Group for the fantastic hole-in-one prizes. Most of all, REIBC would like to recognize the hard work and dedication of the tournament organizing committee and all the volunteers who made this event possible.

2012 TOURNAMENT ORGANIZING COMMITTEE

Chair: Rob Reichelt, Terrafund

Sponsorships: Richard Sirola, Sirola Services

Prizes: Bruce Tanner, Bentall Kennedy

Auctions: Cameron MacGregor, Concert Properties Ltd.

Media Liason: Rebecca Nguyen, Citimark Development

Member-At-Large: Gordon Kennedy, Lens & Laser Real Estate Services

Coordinator: Maureen McKnight

AUCTION SUB-COMMITTEE

Betsy MacDonald & staff
Hospitality Valuations
Services Canada

VOLUNTEERS

Nicole Clement, Barry Fenton,
Andrea Fletcher, Lorne James,
Viera Janickova,
Amir Kaboodani, Mario Lee,
Terry Neithercut, Raja Sandhu,
April Shimizu, Ken Shimizu,
Charlotte Sirola, Danny Wong,
Sarita Zugazaga

STAFF

Brenda Southam

Tournament Sponsors

Platinum Sponsors

BFL Canada Insurance Services
Canada Lands Company
Concert Properties
Ernst & Young
Gateway Property Management
Gibraltar Construction
Hallmark Air Conditioning
Industrial Alliance Insurance
and Financial Services
Judi Whyte, RI – Prudential
Sussex Realty
Lex Pacifica Law Corporation
Masters Building Services
Matra Construction Inc.
Morguard Investments
Pacific Dawn Asset &
Property Management
Sauder School of Business,
Real Estate Division (UBC)
The Society of Notaries
Public of BC
ThyssenKrupp Elevator

Gold Sponsors

Altus Group
Carmichael Engineering
Canada Scaffold Supply
Company
Earth Enterprises
Impark
Vision Property Advisors
Watco Janitorial Services

Sponsor Appreciation

Campbell & Pound Commercial
Ltd.: *Golf Carts*
Dominion Blue Digital
Reprographics: *Driving Range*
Lando & Company LLP: *Deluxe
BBQ Lunch*
Lens & Laser Real Estate
Services: *Volunteer Shirts*
Peoples Trust: *Water Bottles*

Real Estate Foundation of BC: *Dinner*
Sirola Services: *Hit the Green*

Live Auction Sponsors

Alex and Marlene Fox
Allstar Holdings Inc.
Big Sky Golf and Country Club
Priority Building Services
REIBC
Tahquitz Creek Golf Club
The Golf Club at Terra Lago
The Rim Rock Café
Watco Janitorial Services
Westin Resort & Spa
Whistler Golf Club

Silent Auction Sponsors

Accent Inns
Allan Halldorson
Andrea Fletcher
Bentall Centre Athletic Club
Best Western
Blue Water Café
Crown Isle Resort & Golf Club
Delta Calgary South
Delta Vancouver Suites
Delta Victoria Ocean Point
Donnelly Group
Granville Island Hotel
Hampton Inn & Suites
Il Terrazzo Ristorante
Intergulf Development Corp.
Joey's Restaurant Group
Le Crocodile
Mott Electric
Napa North Wine Tours
Nk'Mip Cellars
Okanagan Golf Club
Opus Hotel
Pan Pacific Vancouver
Pan Pacific Whistler
Prestige Hotels & Resorts
Ramada Downtown Vancouver
Renaissance Vancouver Habbourside
Sheraton Cavalier Calgary



Spirit Ridge Vineyard & Spa
Terminal City Club
Tobiano Golf Course
The Keg
Vancouver Fashion Week
West

Prize Sponsors

Advanced Parking Systems
Ajaib Mann & Gary Purewal, Pioneer
Security & Communications
AllWest Facility Services
Amir Soltani, Sutton Group
– West Coast Realty
Austin Metal Fabricators
BC Hydro
BC Lung Association
Bentall Kennedy (Canada) LP
Blake, Cassels & Graydon LLP

Cactus Club
Carmichael Engineering
Canadian Facilities Management
Confederation Projects
Control Solutions Inc.
CIBC Wood Gundy
Dougal B. Shewan, V.W.R.
Capital Corp./Royal Lepage/
Wolsencroft Realty
Executive Air Conditioning
Florenco Sales
Gary Bellamy and Family
Gibraltar Construction Honeywell
Kruger Products
LIJA
Make-A-Wish Foundation
of BC & Yukon
Maple Leaf Self Storage
Martello Property Services

MCR Mechanical
Omicron Properties Group
Oxford Properties Group
Paladin Security
Servantage Services Corp.
The French Table
The Keg
Total Energy Systems

TEAM PRIZE WINNERS

First Place: Masters Building Services Ltd.
(Todd Mikl, Colin Murray, Chris Kyle,
Colby Johannson)

Second Place: Gibraltar Construction/
Beatty Floors (Paul Smeltzer, Daniel Mok,
Rick Halliday, Ron Causier)

Third Place: Freeway Mazda/
BC Assessment (Russ Daniels, James
McInnes, Derek Coburn, Lachlan Coburn)

Most Honest Team:

Gateway Property Management
Corporation (Leslie Bessey, Branko Cvoric,
Lisa Biggin, Silvia Hoogstins)

Longest Putt:

Assertive Property Management, Phoenix
Restorations Ltd., Concert Properties
(Joan Bird, Lucy Agostinho, Karen Rahal,
Bev Greene)

SKILL PRIZE WINNERS

Ladies' Longest Drive: Mandy Hansen

Ladies' Closest to the Pin: Bunnie Porteous

Men's Longest Drive: Rick Halliday

Men's Closest to the Pin: Nathan Worbets

MARK YOUR CALENDARS!

REIBC's 20th Annual Charity Golf
Tournament is on **June 19, 2013**

WELCOME TO OUR NEW MEMBERS ...

PROFESSIONAL



Marshall Behrns
BC Assessment



Murray Bird
ProLogic Property
Services



Carvan Cheng
BC Assessment
(formerly Student)



William Clifford
Ministry of Forests, Lands and
Natural Resource Operations



Chris Hohne
BC Assessment



Radostina Izova
Pinnacle International



Joanna Jaholkowski
BC Assessment



David Keough
BC Assessment



Helen Morrison
BC Hydro



Rob Norton
BC Assessment
(formerly Student)



Jason Penner
Port Metro Vancouver
(formerly Candidate)



Ravinder Punia
BC Assessment
(formerly Student)



Paul Karleon Sun
BC Assessment



Matthew Vogelaar
BC Assessment



Chris Yahn
BC Assessment

ASSOCIATE

Brian Cooper, Cooper Appraisals

STUDENT

Darren Chinchilla, Royal Lepage



Robert Fawcett, RI

Executive Officer,
The Real Estate Council of British Columbia

Robert Fawcett has served as the Executive Officer to the Real Estate Council of British Columbia since 1995. During his 32-year association with the Council, he has also served as Deputy Executive Officer and Assistant Executive Officer. Robert has a diploma in Urban Land Economics from the University of British Columbia and a diploma in Public Administration from the BC Institute of Technology. Robert has been a member of the Real Estate Institute of BC since 1986.

Throughout his career, Robert has been involved in varying capacities with several real estate organizations. From 1987 to present, he has chaired and participated in numerous committees and task forces for the Association of Real Estate License Law Officials, including serving as District Vice-President, Treasurer, and President in 1996/1997. In 2003 and 2009, he served as Chair of the Canadian Real Estate Regulators Group and is currently serving as Vice-Chair.

Robert has continually demonstrated the greatest respect for the real estate profession and has been dedicated to improving education and professional standards among real estate licenses. As a regulator, his mandate is executed without adversely affecting the ability of real estate professionals to succeed in their endeavors. Robert's sage advice and endless energy have led to many significant improvements to licensing and the re-licensing education process for licensees: the introduction of the Real Estate Services Act, which replaced a time-worn piece of legislation that had not seen significant changes in 50 years; personal real estate corporations for practitioners; the Real Estate Compensation Fund Corporation, which replaced the obsolete bonding requirements for brokerages; the licensing of strata managers, and the current movement towards implementation of designated agency in British Columbia.



Robert is also a great mentor to the volunteer leaders of British Columbia. Robert is very active in the community, having served as President of the BCIT Alumni Association, a member of the BCIT Board of Governors, and a member of the Real Estate Advisory Committee at BCIT. Robert served two terms as President of the Western Institute of the Deaf and Hard of Hearing and has been active on committees and the board of directors at the Vancouver Club.

Whether rounding up more attendees for industry functions, assisting a start-up charity, or even helping with a move when an industry organization relocates, Robert is always ready and willing to help out. He is a true gentleman who sincerely cares about everyone he surrounds himself with, whether family, friend, associate, employee, or someone who just needs a helping hand!

A resident of the North Shore for most of his life, Robert, Tina, Lisa, and Mark live near Cates Park in North Vancouver. When not working, Robert and Tina like to spend time on the water, at Kaledon on Skaha Lake and at Indian Arm.

Brought to you by the Real Estate Institute of BC, Club REIBC gives you exclusive access to discounts on products and services. Start saving today at reibc.intrd.com



Fall for these Great Savings

HOTELS

Clarion
Comfort Inn
Comfort Suites
Econo Lodge
Quality Inn
Rodeway Inn
Sleep Inn

TICKETS

Big White
Silver Star
Sun Peaks
Whistler Blackcomb
Peak2Peak Gondola
Playland
The Fair at the PNE
PNE Fright Nights
The PowerWithin

TRAVEL

Japan Airlines
Avis
Enterprise Car Rental
National Car Rental
Carter Auto Leasing
ParkN' Fly Vancouver
ParkN' Fly Edmonton

Save today at reibc.intrd.com



OUR MISSION

The mission of the Real Estate Institute of BC is to advance and recognize excellence in education, knowledge, professional development and business practices uniting all sectors of the real estate industry.

INPUT PRODUCTION

Input is published three times a year by the Real Estate Institute of BC, a non-profit association. The Institute's members, officers, and staff do not accept responsibility for the statements or opinions expressed in *Input* and publication does not necessarily constitute endorsement.



The Real Estate Institute
of British Columbia

Editing and design:
Uncover Editorial + Design

Printing: Initial Print & Copy Center

Editorial + Design
uncover
www.uncovereditorial.ca



BOARD OF GOVERNORS 2012 – 2013

OFFICERS

President

Andre Gravelle, RI

President-Elect

Mandy Hansen, RI

Vice-President

Mark Litwin, RI

Secretary/Treasurer

David Graham, RI

Past President

Nathan Worbets, RI

GOVERNORS BY DISTRICT

Vancouver

Andre Gravelle, RI

Ken Sherk, RI

Troy Abromaitis, RI

Jason Grant, RI

Vancouver Island

Peter Bretherton, RI

Mark Litwin, RI

North Fraser

Mandy Hansen, RI

Cariboo/Northwest/ Prince Rupert

John Castle, RI

Kootenay

David Graham, RI

Thompson Okanagan

Tracy Wall, RI

Fraser Valley

Bonnie Knight, RI

EXECUTIVE OFFICER

Brenda Southam, CAE

Real Estate Institute of BC

1750-355 Burrard Street

Vancouver, BC V6C 2G8

Tel: 604.685.3702

Toll-free: 1.800.667.2166

Fax: 604.685.1026

Email: info@reibc.org

www.reibc.org

