

RI

input

WINTER 2013

VOL. 41 NUMBER 1

Who Owns Heritage?

The Real Business
of Heritage
Conservation

By Rick Goodacre,
Heritage BC

Heritage Tax Incentives

How Victoria Has Transformed
Its Old Town District

By Steve Barber, City of Victoria

The Greenest Building

Conservation,
Existing Buildings,
and Environmental
Sustainability

By Richard Linzey,
BC Heritage Branch

A New Model for Real Estate Investment

The Economics of Change

By Sarah Costello,
International Living Future Institute



From the EO's Desk

To start off 2013, we thought we would bring you something a little less controversial than last issue's Northern Gateway Pipeline, and so sought writers on the quiet, soothing topic of Heritage. Did you know that Gastown in Vancouver is designated as a national historic site, and the Marine Building (our home) once had the fastest elevator west of New York? Neither did we. But we also found out very quickly that heritage isn't just dates and fun facts. It's a topic fraught with its own complexities, and each and every person we engaged was very passionate about the work they do in this field.

We have an article that I am sure will make you smile, all the while asking "Who owns heritage?" It gives great background about heritage conservation and the thorny issues of ownership and use. We have an article that asks where heritage fits in a changing city like Vancouver, which uses new research from a recent Vancouver Heritage Foundation survey to help find the answer. The City of Victoria's Tax Incentive Program has brought it terrific success, generating renewed interest in heritage buildings and downtown development. We also explore whether "the greenest building is the one that is already built."

We complete our magazine with our staples of Ask a Lawyer, Career Notes, Giving Back, and our Member Profile. Our climate change-focused article in this issue should particularly engage our members involved in real estate valuation, as it describes work on a new investment paradigm for the built environment that seeks to recognize full and true value.

You will find that in this edition of *Input* we have a new Directory page and also some magazine sponsors. These are new ways to generate revenue for the magazine without filling the issues full of advertising. It's a good compromise, and we hope it will continue to grow so that we can send *Input* to more readers.

We thank everyone for their contributions and especially those who took a moment to write to us about the last issue—we thank you for your kind words.

Happy New Year! I wish everyone health and prosperity in 2013.

A handwritten signature in black ink that reads "Brenda Southam". The signature is fluid and cursive.

Brenda Southam, CAE
Executive Officer

Drop us a line!

We want to hear from you. Please let us know your ideas for articles and how you like the magazine—and check out our LinkedIn, Facebook, and Twitter pages for up-to-the-minute information on REIBC activities.

www.reibc.org
info@reibc.org

Cover: Oriental Hotel by LeFevre and Company, in Victoria.
Below: Oriental Hotel, interior.
Both photos: Gary Holder Photography





President's Message

I hope you enjoyed a peaceful holiday season with friends and family and are ready to meet the challenges and opportunities that 2013 is sure to deliver! Some significant changes are coming this year, including a provincial election and the reintroduction of the PST/GST. These local changes, however, are likely small compared to the effects of the many global forces that continue to shape our province.

Those of you who attended the sold out President's Luncheon in December heard about Vancouver's place in the global real estate market and how our local growth compares to some of the fastest-growing cities around the world. The guest speaker, Blair Hagkull, noted that half of all global real estate investment takes place in just 30 major cities, and despite the rapid pace of growth in the Lower Mainland, Vancouver is not among these cities.

We continually hear the media reports on Metro Vancouver's growth and witness first hand the seemingly constant residential and commercial construction, as well as the enormous capital investment in new transportation links and the province's resources. However, if a city like Vancouver does not rank among the world's fastest-growing centres, consider just how fast these other cities are growing. This adds some perspective on the challenges that these cities must face.

This issue of *Input* offers a number of articles addressing growth in the context of our existing built environment and the need to protect local heritage.

I wish you all the best for 2013. I hope you are well rested and ready to meet both the local and global opportunities that lie ahead.

Andre Gravelle, RI
President



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LETTERS TO THE EDITOR

Dear Editor,

I have just finished the Fall 2012 issue of *Input* and want to congratulate you on a fine publication. Weaving through the many complex issues surrounding the Enbridge pipeline plan was done in a balanced and professional manner, giving me a much deeper understanding and appreciation of this important proposal. There was also a feast of beautiful photography.

A lot of good memories came flooding back about the quality of our professionals as I read about Anita's and Robert's achievements; these are two exceptional people. This was perhaps the best *Input* issue ever put to print. Many thanks to all that were involved—I can't wait for the next one.

Stephen Mullock, RI

Dear Editor,

I thought I would mention that I quite enjoyed the latest issue of *Input*. It was a good change to the editorial for a one-off edition.

Dougal Shewan, RI

Write to us!

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

WINTER 2013 SPONSORS THANK YOU FOR YOUR SUPPORT!

Sponsorship helps us to continue to provide industry-leading content, and helps you reach professionals in the real estate community. Call Maggie at 604-685-3702 ext. 103, or email marketing@reibc.org to get more information or to sponsor our next issue of *Input*.

New!



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CONTACT: rboyko@gatewaypm.com



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CONTACT: kbritnell@reliance.bc.ca

Who Owns Heritage?



Bob Matheson Photography

Kensington Prairie Community Centre, by Taylor Kurtz Architecture + Design and Don Luxton and Associates. The 1914 heritage building was formerly a school. It was acquired by the City of Surrey in 2009.

You won't be surprised to learn that Heritage BC gets a lot of calls from people about heritage buildings. Maybe it's some neglected old place that is crumbling into the ground or has a demolition permit hanging over its head. Hoping to grab my interest and propel me into action ("To the Batmobile!"), the caller typically leads off with a few compelling facts about the place—its exceptional role in local history, its architectural embellishments and so on—in an effort to convince me that there is sufficient "heritage cred" to make the case for conservation, possibly even legal protection. This is all pretty predictable stuff in the heritage world. So you may be surprised to learn that the first thing I ask is not, "How old is it?" or "Who designed it?" but "Who owns it?"

Why is ownership the first thing to establish? Why does that take precedence over the warm and fuzzy stuff about historical and architectural significance ("Look at those finials!")? The reason

is simple: ownership is by far the single most important factor in determining the outcome, and it is outcomes that matter.

This is the funny thing about heritage conservation. Historic places aren't just historic; they are also property, usually property that someone else (not the heritage keeper or the municipal heritage planner) owns. Of course, we all say, "This is my street," or "This is my town." What we mean is, "This is where I live, this is my home." But in what sense is it ours, and how can that sense of ownership be reconciled with the more sharply defined and exclusive legal meaning of ownership? Here we are at the heart of the real business of heritage conservation.

THE ISSUE OF OWNERSHIP

To illustrate the importance of the ownership question, let us compare an artifact in a museum and one that is privately owned and in use. Both are understood to have an intrinsic value beyond their obvious material or functional utility. But that is where the similarity ends. The museum has an obligation to care for and conserve the artifact as long as it remains in its collection. With the proper skills, conservation protocols, and a reasonable budget, I think we can agree—irascible curators

Rick Goodacre

Executive Director, Heritage BC

Rick Goodacre is a native British Columbian. He studied anthropology at the universities of Victoria, Calgary, and Washington, and since 1987 he has worked in the heritage field. He has been Executive Director of Heritage BC for 22 years.

The Heritage Society of BC is a member-based organization representing the interests of community heritage conservation from all parts of the province. Heritage BC advocates for important issues concerning the heritage conservation community in British Columbia.
www.heritagebc.ca





Colin Jewall Photo Studios Inc.



Colin Jewall Photo Studios Inc.

The Laurel Packinghouse (1918) was a working packinghouse until the 1970s. The Kelowna Museums Society helped to save the building, which became Kelowna's first designated heritage building. It is now home to the BC Orchard Industry Museum and the BC Wine Museum & VQA Wine Shop, and serves as a rental facility for businesses and the community.

aside—that this doesn't appear to be too onerous a burden. But now consider a very different situation where the artifact (maybe a vintage piece of farm equipment; a steam tractor would be cool) does not belong to the museum, is not coddled by conservators, and is not carefully stored in their collection. Rather, it is owned by a farmer who uses it every day, a farmer who does not necessarily know or care about the wonderful heritage qualities of this special object, but just wants it to help out in the endless task of making a living. How could the museum possibly conserve it under these conditions? Yet this is precisely the situation when it comes to conserving heritage buildings. Sound crazy? Welcome to my world.

I like to distill complex ideas until they are bumper-sticker ready. So, Bumper Sticker Number 1 is: Heritage conservation is all about telling other people what to do with their property. Okay, it's a bit long for a small car, but you get the idea. While this may be putting things a little crudely, it is, unfortunately, pretty close to the mark. Those who wish to, or are paid to, conserve our heritage usually don't own it, and those who do are not necessarily thrilled with heritage, especially if it means more bureaucracy (which it usually does) or it limits their enjoyment of their own property (which occasionally it does).

We should pause here to consider what, exactly, this heritage stuff is. Fortunately, after many years of debate, there is pretty much a consensus today about the answer to this crucial question. Heritage, simply, is a value—historic, aesthetic, social, cultural, or scientific—that we attach to a place. "We" means all of us, society at large. In BC, the operative unit is generally the community. So, an active heritage conservation program involves establishing what has heritage value, how the identified heritage values are embodied in a given place, and how these tangibly expressed values can be conserved going forward. Since these places are also property, a heritage program must involve local government, the primary arbiter over property matters at the community level. Heritage conservation can

involve a lot of actors, and the owner is one of them—the most important one.

This business of community values embodied in privately owned property is tricky. But there is one simple way to get around it: just buy the place. That way, the heritage advocate and owner are one and the same, like a museum. This, of course, is easier said than done given today's real estate prices. When I propose the buy-it-to-save-it strategy to my friend on the other end of the phone who has called me seeking wisdom, expertise, and sympathy, the response is often stunned silence. This isn't the helpful advice he or she was looking for. Nonetheless, it is a realistic proposition in a situation where all other options simply don't apply.

So, in a few cases, purchase is the right solution. There are many historical and heritage societies that have bought the old wood-frame schoolhouse, church, or railway station and turned it into a museum or some other similarly useful community institution. Or, the building is donated but the land is not, which involves a whole other set of problems, but let's not get sidetracked.

EARNING ITS KEEP

The problem is you can't buy all the heritage buildings in BC and put them out of harm's way, like so many artifacts in a museum. And even if you could, what would you do with them? A very few special places may be removed from the hurly-burly of the daily rat race, like a celebrity who is famous for being famous. Most buildings and properties, however, can't just sit on their laurels, which brings me to Bumper Sticker Number 2: Heritage buildings must earn a living. Just like you and me. Property, even a heritage building, has to return sufficient value to justify the expense of purchase and upkeep.

This brings us to the flip side of the heritage dilemma. Properties need owners to maintain them, pay the taxes, and put them



Duncan's former post office (1913) is now home to City Hall and the Cowichan Valley Museum Archives.

Properties need owners to maintain them, pay the taxes, and put them to good use. The last point is especially important: a building that has no use earns no care. A use-less building is on the path to destruction through demolition by neglect.

to good use. The last point is especially important: a building that has no use earns no care. A use-less building is on the path to destruction through demolition by neglect. So to all the heritage property owners out there I say: "I can't own them and I am glad you do." (No, that one is not a bumper sticker.)

An effective heritage conservation program, based in city hall and actively supported by council and the community, is one that recognizes the essential role owners play and works with them, not against them. Government-supported repair and restoration grants acknowledge the costly nature of high-quality heritage conservation work, and take a partnership approach to working with owners that recognizes and understands the needs and goals of all involved. Other incentives such as property tax relief, bonus density, and bylaw relaxations can spur new investment in derelict heritage properties. Such programs do not seek to deter developers—the bad guy in so many traditional heritage bedtime stories—but in fact seek to entice them to make their next project a heritage revitalization scheme. Finally, legal protection is an important part of any program, but you should close with it, not lead.

THE OPPOSITE OF SIMPLE

So, ironically, while our dependence on soft measures and the owner's goodwill can sometimes make us a little crazy, I can't see how a heritage conservation program could work in any other way. I suppose in a totalitarian state, conservation would simply happen by decree of the Central Bureau of Heritage. Heritage conservation officers would get to wear really terrific uniforms, and maybe even carry side arms. Well, that is not us. Our society is based on a strong sense of private property rights, the initiative of the individual, an open and free market, and good government. When all of this is ticking over like a well-maintained machine, we can have good health care, high-quality education, and a high standard of living, as well as arts, culture, a vibrant community life, and, yes, heritage and history.

This brings me to the last bumper sticker: Heritage is complicated (get used to it). This may sound a little harsh, but it isn't meant to be—just realistic. Because of all the players and factors involved, a good heritage program will inevitably have its complexities. It is simply more complicated to conserve a six-storey building in downtown Vancouver than a sad iron in a community museum. The important thing to remember is that a good program is always balanced and fair, and it is never more complicated than it needs to be. Just remember that and everything will be fine.

Sustainable Communities: What role does heritage play?



Just one of the questions we think about at the Real Estate Foundation of BC.

As a pivotal connector on land use and real estate issues, the Foundation provides funding and information to help BC communities become more resilient and sustainable.

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Is the Greenest Building the one Already Built?

flickr/adrimcm

James Bay neighbourhood, Victoria

The familiar statement, “The greenest building is the one that is already built,” attributed to US architect and sustainability specialist Carl Elefante, challenges the notion that new green buildings are the most effective way to address climate change. Instead, Elefante argues that the adaptation of our existing built environment is an infinitely more sensible and effective approach, pointing out that four out of every five *existing* buildings will be rehabilitated over the next generation while only two *new* buildings will be added in the same period.¹

To test Elefante’s thesis, the US National Trust for Historic Preservation’s Preservation Green Lab conducted life cycle analysis on various rehabilitation and new construction project models. Using a range of building use types, including single-family, multi-family, commercial, and schools, in a variety of climatic regions, the study looked at environmental impacts over a 75-year life cycle in four categories—climate change, human health, ecosystem quality, and resource depletion.

In almost every case (except warehouses), rehabilitation of existing buildings was shown to produce marked environmental savings (between 4% and 46%) over new construction built to an equivalent energy performance standard. Ironically, warehouses, the staple of urban industrial revitalizations, fell short because they require so much new material to convert them to new uses.²

In a 2011 presentation hosted by the Vancouver Heritage Foundation, Elefante expanded on his thesis. Those involved in heritage conservation, he proposed, have been practicing environmental sustainability for many years. Successful heritage conservation requires a light touch and minimal intervention. It seeks to make best use of what already exists to meet the challenges of modern life, whether they are environmental or otherwise.

The most significant potential positive environmental impact in the built environment over the next generation will come from the rehabilitation of existing buildings, if the work is undertaken in a way that respects social values. And it is during the next generation that the significant reduction in carbon emissions is needed... So what are we waiting for?

HERITAGE CONSERVATION, EXISTING BUILDINGS, AND ENVIRONMENTAL SUSTAINABILITY

Pursuing Elefante’s theme further, it is not just the people involved in heritage conservation but the heritage buildings themselves that are modelling existing building stewardship. In British Columbia, policy and legislation are adapting to stimulate this approach. Over the last five years, statutory amendments and policy have quietly and steadily emerged that place British Columbia at the forefront of the heritage conservation and environmental sustainability field. Let’s take a look at some of these:

Substantial Reconstruction Guidelines

Last year, the Homeowner Protection Office (HPO), which regulates new home construction in BC, responding to a request

¹ http://www.vancouverheritagefoundation.org/Forum_Journal_Summer2007_Elefante_greenestbuilding.pdf

² http://www.preservationnation.org/information-center/sustainable-communities/sustainability/green-lab/lca/The_Greenest_Building_lowres.pdf

from the heritage conservation community, issued a regulatory bulletin—a legally binding interpretation—that clarifies the threshold for when rehabilitation effectively becomes construction of a new home. The *Substantial Reconstruction Guidelines* help to ensure that a major building envelope overhaul is not inadvertently triggered by a modest heritage conservation project or a conservative existing building upgrade. The guidelines acknowledge and accommodate the lightness of touch commonly seen in heritage conservation, thereby promoting both positive environmental outcomes and cost-effective rehabilitation in existing homes.³

Energy Efficiency Standards Regulation

In a similar vein, BC's *Energy Efficiency Standards Regulation*, designed to promote energy efficiency in building component and energy device manufacture, incorporates language that allows for the installation of new, traditionally constructed wood windows and front doors in recognized heritage buildings. The momentum for this provision came from local heritage window manufacturers concerned that the CSA A440-compliant factory-made windows prescribed by the regulation, while efficient, lack the special character of their traditional counterparts.

The allowance of this regulatory alternative for heritage buildings reflects the interest of BC's energy policymakers in the economic and social value of heritage building stock alongside their environmental value. The new provision also reflects the acknowledgement by those same policymakers that a traditionally constructed wood sash, for instance, can be overhauled and upgraded with an exterior wood storm sash to achieve a high level of performance and occupant thermal comfort.

Financial Incentives and Fact Sheets

Appreciating the benefits of a nuanced approach, in 2011 the Province of BC's LiveSmart energy conservation incentive program included a financial incentive to install wood storm sashes in recognized heritage homes—a first in Canada. The provincial Heritage Branch—itsself a champion of the heritage



flickr_trailofdead1
Historic Baker Street, Nelson

conservation and sustainability nexus—simultaneously published fact sheets on wood storm sashes and ways to improve the energy efficiency of traditionally constructed homes.⁴

While the alternatives described above are geared toward heritage building stock, they represent a growing interest in BC in facilitating sustainable building upgrades, perhaps hinting at a future where those same provisions will be available to existing buildings generally. Certainly, there exists a healthy conversation among heritage, building, and energy policymakers at the provincial level on this topic.

BC Building Code

Perhaps the most powerful regulation in BC's built environment, the *BC Building Code* has already begun to embrace the interconnectedness of existing buildings, heritage buildings, and energy. During the 2009 "greening of the code," a

3 http://www.hpo.bc.ca/files/download/Report/Substantial_Reconstruction_Homes.pdf

4 http://www.for.gov.bc.ca/ftp/heritage/external/publish/web/LiveSmart_Storm_Windows.pdf, and http://www.for.gov.bc.ca/ftp/heritage/external/publish/web/Improving_Traditional_Windows_and_Heating_Systems.pdf

Richard Linzey, BA (Hons), Dip. Arch, AA Dip. Cons

Manager of Heritage Programs and Services, BC Heritage Branch,
Ministry of Forests, Lands and Natural Resource Operations

Richard is a UK-registered architect and a manager of heritage policy for the Province of BC. Raised in Kent, England, he studied architecture at Plymouth Polytechnic and building conservation at the Architectural Association in London. As head of English Heritage's Architecture Branch, he led conservation works and new construction projects at Dover Castle, Kent, Landguard Fort, Suffolk, the Henrician Castles of Pendennis and St. Mawes in Cornwall, and the Stonehenge world heritage site in Wiltshire. Richard has published two books on the conservation and management of military archaeology. Since immigrating to Canada in 2002 he has worked for Commonwealth Historic Resources Management in Vancouver and for two years as a part-time heritage planner at the City of Victoria. He joined the provincial Heritage Branch in June 2007.





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The most significant potential positive environmental impact in the built environment over the next generation will come from the rehabilitation of existing buildings, if the work is undertaken in a way that respects social values.

provision was included that permits a building to achieve an energy performance level of Energuide 77 as an alternative to assembly-specific prescriptive insulation requirements. The advantage of such an alternative is that it allows for whole-building thinking, whereby envelope upgrades can focus on solutions that integrate with, rather than conflict with, existing building fabric.

BUILDING AWARENESS

The Heritage Branch and Cascadia Green Building Council have collaborated on a series of initiatives to build awareness of the interconnection of heritage conservation, existing building rehabilitation, and environmental sustainability. The green movement has become a champion of heritage conservation as a sustainable approach to the rehabilitation of the built environment. Starting in 2009 with the development of a strategic plan, the collaboration has brought this key message to a new, diverse audience beyond the traditional heritage conservation sphere.

As part of a new initiative for 2012/13, the Heritage Branch, Cascadia Green Building Council, and the Real Estate Foundation of BC will collaborate on a series of presentations around British Columbia that promote the role of heritage conservation in climate action, and that present the science that proves the greenest building is the one already built. Simultaneously, the Province of BC is leading a pan-Canadian initiative to promote the interconnectedness of heritage conservation, existing buildings, and environmental stewardship through a working group of the Federal-Provincial-Territorial Ministers of Culture and Heritage.

Paraphrasing Carl Elefante, heritage conservation teaches us all to better value the past, and in turn, it is hoped that it will help us to fully awaken to our responsibility to the future.



Cascadia Green Building Council, in partnership with the Real Estate Foundation of British Columbia and the Province of BC Heritage Branch, presents:

THE ENVIRONMENTAL VALUE OF BUILDING REUSE

Join us for this workshop that examines environmental impacts of building reuse versus new construction. This two-part session presents a groundbreaking whole-building life cycle assessment study - **The Green Building: Quantifying the Environmental Value of Building Reuse** - that confirms the environmental benefits of building renovation. Part 2 - **Historic Places: Leaders of Built Environment Stewardship** - presents heritage conservation best practices for improving the performance of existing buildings.

Designed for real estate professionals and practitioners, workshops are offered for the following locations and dates:

Victoria	January 16, 2013
Kelowna	February 26, 2013
Nelson	February 27, 2013
Vancouver	March 20, 2013

Visit Cascadia's website for venue details at <http://living-future.org/cascadia>. This event is FREE for Cascadia members and \$25 for Non-Members.

The workshop supports the provincial goal of encouraging and facilitating built-environment stewardship through heritage conservation. Each session examines the following:

The Greenest Building is the One That is Already Built – The US National Trust for Historic Preservation's Green Lab has tested the science behind Carl Elefante's well-known statement. For those interested in making sustainable real estate business decisions, this science is not to be missed.

Reusing Building Stock – We all know the 3 Rs: reduce, reuse and recycle. Reusing historic buildings is an effective way to practise the 3 Rs on a larger scale, conserve energy and promote sustainable communities. Adaptive reuse diverts waste that would typically go to a landfill, reduces sprawl through reuse of existing buildings, promotes traditional building design as inherently energy efficient and improvable, and reduces the need for new materials.

Improving the Energy Efficiency of a Traditionally Constructed Home – Natural light, airflow, heat retention and cooling mean traditional design is inherently sustainable. Many historic buildings have the potential to outperform modern buildings. This session examines the characteristics of heritage buildings and traditional construction and how their performance can be enhanced while maintaining their special contribution to our liveable cities.

Window Upgrades – the Wood Storm Window – A traditionally made wood storm window is a tried and tested solution for retrofitting existing windows and improving energy efficiency in heritage buildings. Installing wood storms can significantly improve thermal efficiency and comfort in traditionally constructed existing homes, while retaining their special character.

For more information on these provincial initiatives, visit www.for.gov.bc.ca/heritage/library.htm.





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 5:00 PM

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 6:00 PM



BRITISH COLUMBIA
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ASSOCIATION

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

DECEMBER 5, 2013 | PRESIDENT'S LUNCHEON

Venue to be announced

QUESTIONS?

For more information visit www.reibc.org



Q: *What tools and incentives are in place to support and promote heritage conservation in British Columbia?*

A: Heritage conservation embodies the laudable public goal of protecting and preserving heritage property, and thereby providing a link to our historical and cultural roots. Heritage conservation allows communities to establish and maintain local identities and to foster historic and cultural connections between the individual and the community as a whole.

Often contrasted with the public interest in preserving heritage property is the owner's desire to realize the highest and best economic return for the land. In order to reconcile these two sometimes-competing objectives, other incentives must be utilized to help defray the rehabilitation costs associated with the conservation of the property and allow the owner to realize an economic return.

With the proclamation of the *Heritage Conservation Statutes Amendment Act* in October 1994, many improvements were made to the various pieces of heritage conservation legislation in British Columbia. Significant amendments were made to the *Heritage Conservation Act* and the *Local Government Act* such that local governments have a range of tools and incentives that can be utilized for the conservation of heritage property in British Columbia.¹ As a result of the various amendments, there are now mechanisms in place to assist local governments with heritage planning, protection, and support.

¹ Local governments have themselves made changes to legislation. An example is the Vancouver Charter.

HERITAGE PLANNING

To assist with heritage planning, local governments can, by bylaw, put in place a community heritage commission to manage and implement local heritage planning and activities. In addition, local governments can create a community heritage register that enables the monitoring of heritage properties, facilitates the inclusion of heritage issues with larger community planning objectives, and provides notice to property owners and potential buyers of a property's heritage character and value. While the community heritage register in itself does not provide heritage protection, it does assist the public by notifying them of the property's heritage character or value in the community.

PROTECTING HERITAGE RESOURCES

With regard to the protection of heritage resources, there are myriad tools available to local governments. These tools include:

1. **Heritage inspections.** These are used to assess heritage value and conservation needs.
2. **Heritage impact assessments.** Owners or developers can be required to provide an assessment regarding the impact of their development proposal on protected heritage properties.

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.



Often contrasted with the public interest in preserving heritage property is the owner's desire to realize the highest and best economic return for the land. In order to reconcile these two sometimes-competing objectives, other incentives must be utilized to help defray the rehabilitation costs associated with the conservation of the property and allow the owner to realize an economic return.

3. **Heritage designation.** Local governments can grant a heritage designation, by bylaw, on property. This can provide long-term protection by prohibiting demolition, moving, and structural or land changes. It can also limit alteration to specified exterior and interior fixtures and landscaping. Compensation will be provided to a property owner for loss in market value as a direct result of a heritage designation. Compensation may be monetary or non-monetary and owners must apply for compensation within a year of designation.
4. **Heritage conservation areas.** Local governments can define special areas in their official community plans as heritage conservation areas to provide long-term protection to a distinctive heritage area. Heritage conservation areas may subsequently require a heritage alteration permit for subdivision, additions, new construction, or alteration of buildings or land.
5. **Minimum maintenance standards.** Local governments can establish minimum standards for maintaining properties protected by heritage designation or located within heritage conservation areas.
6. **Temporary measures.** Local governments may protect heritage properties by withholding approvals, withholding demolition permits, issuing temporary protection orders or temporary protection bylaws, or stipulating temporary protection control periods. However, these measures are temporary only and there are specific time limits that are applicable.
7. **Heritage revitalization agreements (HRAs).** A common mechanism used to protect heritage properties is the provision for the local government and the property

owner to enter into a written agreement called a heritage revitalization agreement, which will specify the terms under which the owner will retain and rehabilitate the heritage property and what local government will provide in exchange.

SUPPORTING HERITAGE CONSERVATION

In terms of providing support for heritage conservation, local government may offer incentives to property owners in the form of full or partial tax exemptions, direct monetary grants, technical advice, program coordination, commemoration, public works projects, priority routing of applications, density bonuses, new permitted uses, and special consideration under the *BC Building Code* for registered and protected properties. In many instances, many of these incentives will be incorporated into a heritage revitalization agreement (HRA) between the parties.

An HRA is a formal but voluntary written agreement between local government and the property owner. The HRA will outline the duties, obligations, and benefits negotiated by both parties to the agreement. The HRA may: 1) detail the timing of the agreement items, 2) vary or supplement the provisions of a land use bylaw including use, density, siting, and lot size, and 3) vary or supplement provisions of a bylaw which concerns land use designation, development cost recovery, subdivision, and development requirements, all depending on the characteristics of each agreement. These allowances are negotiated on a case-by-case basis and are designed to offset the difference in value of the restored property and its development market value. The agreement is subject to council approval and, if it varies from the existing land use density regulations, public hearings must be held.

An HRA has the potential to allocate additional density to a property in exchange for the property's revitalization. In certain jurisdictions, once the HRA has been approved, the property owner has the option of using the density bonus on the heritage site itself, transferring density to another site subject to design review, or selling the density to an interested developer.

Once an HRA has been finalized the owner of the heritage property must complete all the work on the property as specified in the agreement. Only then will the local government make the bonus density available for transfer. The value of the density bonus is calculated according to the costs of renovation and the highest potential market value of the property.

Historically, in Vancouver, the density bonus thus created was recorded and advertised in a publicly available "density bank." Upon receipt of the right to the density bonus, the property owner could declare the intent to sell the density to another party or developer if the density bonus could not be used on site. Currently, there is a freeze on new density being added to the density bank until such time as the balance of available density has been brought down.

However, bonus density can still be accommodated on a development site with a heritage property on it or on a consolidated site that includes a heritage resource so that new construction can be integrated with the heritage component. The Hudson development in Victoria is an example of how modern construction can coexist with heritage conservation. Similar examples in Vancouver can be seen with the Beasley, Jameson House, and Hotel Georgia developments.

In addition, there are other incentives available. In Vancouver, façade rehabilitation grants and property tax exemptions for up to 10 years have been used to facilitate heritage conservation and economic revitalization in the Downtown Eastside.

As can be seen, there are numerous mechanisms available to promote and encourage heritage conservation in British Columbia to ensure that society's historical roots can be preserved for future generations.



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CHAPTER REPORT: VICTORIA



The Victoria Chapter is the second largest chapter in the province with just under 100 members. The Chapter covers the south end of Vancouver Island from the City of Victoria west to Port Renfrew and north to Duncan. The membership is diverse but, as expected for a capital city, the majority of members are public sector employees (provincial and federal governments, BC Assessment) and local officials.

Our region, like many other areas in the province, has grown greatly in the last 10 years. The majority of the region's growth has occurred in the western communities of Langford, Colwood, and View Royal with a number of big-box retail developments and major residential developments (Bear Mountain, Westhills, Kettle Creek).

League Financial Partners recently began the initial stages of their Capital City Centre project in Colwood, a redevelopment to be staged over the next 15 to 20 years, which seeks to become the region's main shopping centre. This dramatic growth will see the area's population increase by over 50%, creating major infrastructure challenges for the region.

Under the guidance of former mayor Alan Lowe, the City of Victoria set to balance such anticipated growth as early as 2004 by promoting the densification of the regional downtown core. This initiative has paid off through the return of major retail centres (Uptown) and major condominium projects close to or inside the downtown area.

Our Chapter has six dedicated directors that have worked very hard over the last 10 years to create networking and education opportunities for our membership and the larger community. We try to have two major educational events per year, one of which is hosted in conjunction with the Appraisal Institute of Canada – Victoria Chapter. This allows for costs to be shared and for us to have significant outreach to a broad range of real estate professionals.

Our most recent event was held in the fall with an astonishing 49 participants. We hosted a luncheon with speakers Carlos MacDonald and Alisa Markley of the Land Title and Survey Authority of BC (LTSA). These keynote speakers discussed new land title practice issues, LTSA initiatives, and services of interest to land title and BC OnLine customers. These include the continuing implementation of electronic filing, and the soon-to-be-introduced Authorized Subscribers Register, which will enable more types of professionals to electronically sign

Fernando Santella, RI
Chapter Chair, Victoria Chapter



Fernando Santella has been with BC Assessment since 2005 and is currently a Senior Appraiser in the Capital Office. Fernando has a DULE from UBC, a Bachelor in Urban Planning from the University of Quebec, and a Construction Diploma from an Argentinian college. During his career in Appraisal he has been involved in residential, waterfront, farm, and commercial valuation.



certain land title documents. It was very interesting to learn more about an organization that all real estate practitioners take for granted but is the foundation for so many real estate-related functions.

The Chapter is currently exploring future possibilities to host webinars for a wider audience. We are also considering having Chapter Cafes, where members meet frequently in an informal setting to share their experiences and collaborate on ideas. The value for members comes from exposure to, and the chance to participate in, various real estate-focused opportunities. It also allows us to reach a larger member audience to promote constructive discussions around the direction of the Chapter and the larger organization.

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- Questions? Contact BC Assessment at 1-866-valueBC or connect@bcassessment.ca
- Don't forget...if you disagree with your assessment, **you must file a Notice of Complaint (appeal) by January 31, 2013**

WELCOME TO OUR NEW MEMBERS ...

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BC Hydro



Carmine Guadagno
BC Assessment



Mandeep Kandola
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Jarret Krantz
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Caroline Lan
Canadian Pacific Railway



Andrew Loi
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Kelly Morrish
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Amanda Neal
DTZ Barnicke
Victoria Ltd.



Jennifer Philbrook
BC Assessment



Ramaish Shah
BC Assessment



Colin Strong
Shared Services BC



Brandon Tanner
BC Assessment

CANDIDATE

Nik Cheng, *Intracorp, (formerly Student)*

ASSOCIATE

Daniel Boffo, *Boffo Properties Inc.*

STUDENT

Donavan Ash, David Basche, Tyler Basu, Sean Bagan, Sam Cao, Emma Cartwright, Lynn Cayer, Danielle Chanpong, Grant Cheng, Hsu Cheng, Kirat Chungh, Wesley Dowber, Jan Egge, *Aedis*, Angela Evennett, Neil Greer, Nicole Hackle, Catherine Hwee, Jonathan Jassebi, Matthew Jones, Josh Kuffner, Benson Lai, Daniel Link, Dinah MacArthur, Marcos Moygyoros, Jake Phillips, Natasha Ramos, Brad Savage, Stefan Safrata, Jacob Steiner, Atwail Sumair, Melanie Themmen, Allyson Turner, Erin Vance, Alexis Vinh, Jonathan Wiebe, Bryce Wong, Michael Yap, Nicholas Yeung, Helena (Human Ran) Zhang, Rena Zhou



The Hudson, by Townline, is a mixed residential and commercial project that rehabilitated the former Hudson's Bay Company building (1921), which sits prominently at the gateway to downtown Victoria.

Heritage Tax Incentives: Victoria's Success Story

Victoria's famous charm and character come from its unique collection of remarkably well-preserved historic buildings dating back to the earliest days of the settlement of British Columbia. The past decade has witnessed a stunning revival of many vacant and rundown heritage buildings through an innovative financial subsidy that has transformed the City's Old Town District.

In 1998, the City of Victoria was the first municipality in BC to introduce a program of tax incentives to stimulate the rehabilitation of its superb collection of underutilized downtown heritage buildings. Designed to assist building owners with the high costs of seismic upgrading, the program was also targeted at creating more residential accommodation on the often vacant upper floors of the numerous three- to four-storey brick heritage structures concentrated in Victoria's downtown core. The Tax Incentive Program (TIP), which provides 10-year tax

exemptions, has been a tremendous success, having stimulated the creation of 631 residential apartments—a mixture of strata condominiums and rental units—in 34 seismically upgraded and rehabilitated heritage buildings. It has attracted over \$205 million in private investment to the downtown core and dramatically increased the value of the buildings, leading to increased property tax revenue for the City of Victoria when the 10-year exemptions expire.

HISTORY OF THE TIP

The City had identified the goal of creating more residential accommodation downtown in numerous policy documents, including its *Official Community Plan*, *Downtown Plan*, and *Corporate Strategic Plan*. There had been a few private entrepreneurs who had created apartments on the upper floors of some of the heritage buildings in Victoria's Old Town precinct, but by the late 1980s the trend seemed to grind to a halt. To discover the reasons, the City's Planning

Department and the Victoria Civic Heritage Trust commissioned a consultant study to examine the economics of converting the upper floors of heritage buildings to residential use. The study found that due to the high cost of seismic upgrading, the development pro formas showed that the projects lost money. In 1994, the Province of BC adopted new heritage legislation to allow municipalities the ability to offer financial incentives, including property tax exemptions, to private owners of heritage buildings. In 1998 the City created the Tax Incentive Program, aimed specifically at creating more residential units in downtown Victoria.

HOW IT WORKS

Any owner of a heritage-designated building in downtown Victoria is eligible to apply to the program to convert vacant or underutilized upper floors into residential apartments. Architectural and structural plans are prepared and estimates of the cost of seismic upgrading must be submitted. A simple formula is used to determine the length of the tax exemption:

$$\text{Term of exemption (years)} = \frac{\text{Cost of seismic upgrading}}{\text{Current taxes}}$$

Applications are reviewed by City Heritage Planning staff and by the Victoria Civic Heritage Trust, an arm's length non-profit society funded by the City to provide financial incentives for heritage buildings in Victoria. The Trust's volunteer Board of Directors represent a varied group of individuals with experience in architecture, engineering, construction, real estate, and other fields who provide a detailed review of the rehabilitation proposals. Their recommendations, together with those of City staff, are submitted to City Council for final approval. Once a Tax Incentive Bylaw has been passed at a Public Hearing, the project proceeds to construction. Following completion, an inspection takes place with representatives of both the Trust and the City, and the property details are forwarded to the BC Assessment Authority to register the 10-year exemption.



Steve Barber
Hudson's Bay Company building before rehabilitation.

In 2004, recognizing the success of the program in stimulating rehabilitation of heritage buildings, the City expanded the eligibility requirements to allow for non-residential uses to apply. Non-residential rehabilitation projects have included converting an old warehouse to a TV studio, upgrading an old hotel to a boutique hotel, and rehabilitating and seismically upgrading office buildings.

BENEFITS

The heritage rehabilitation projects stimulated through the TIP benefit the City in numerous ways. Most buildings are of unreinforced masonry construction, one of the types of buildings most likely to collapse in a major earthquake, so the public safety benefits are significant. Creating over 600 new residential units downtown contributes to the economic revitalization of the core area and improves the safety of downtown streets through the natural surveillance provided by downtown residents. As well, the program contributes to sustainability objectives by making efficient use of existing infrastructure and meets the "smart growth" objective of encouraging growth in existing communities.

Steve Barber, BES, MEVDS (Arch), CAHP

Senior Heritage Planner, City of Victoria

Steve Barber is the Senior Heritage Planner for the City of Victoria's Planning and Development Department. He has been the Heritage Planner in Victoria for 26 years and prior to that was a Heritage Planner for eight years in Winnipeg. He received a Masters of Environmental Design in Architecture from the University of Calgary and has lectured on heritage conservation at the University of Victoria, Simon Fraser University, and numerous conferences. With 34 years' practice in heritage planning, Mr. Barber has had extensive experience with a wide variety of heritage regulatory and incentive programs in both Winnipeg and Victoria. In 1998 he helped develop the City's Tax Incentive Program for Residential Conversion. This program was given awards by the local Hallmark Society, Heritage BC, and the Canadian Home Builders' Association. In 2001, the City of Victoria was awarded the Prince of Wales Prize by the Heritage Canada Foundation for "its distinguished record of municipal leadership in heritage conservation spanning almost 40 years."





From the Hotel Douglas (left) to the Hotel Rialto by Danny Danzo (right).

Steve Barber

Ema Peter

One especially interesting benefit has been the creation of 131 rental housing units during a period when little, if any, new rental housing stock was being created by the private sector.

Other cities have been looking at Victoria’s successful track record and analyzing the results. Recently, staff at the City of Calgary examined the data on increased property taxes for TIP projects and compared them to the average rise in taxes for other buildings in the downtown core. From 1998 to 2012, the average tax increase was 57%, but for properties that had undergone the heritage-based Tax Incentive Program, the increase was 131%. The City’s foregone revenues will be paid back over time by these substantial increases. This long-term financial benefit has ensured continuing political support for the program by City Council.

EXEMPLARY PROJECTS

One of the most significant projects assisted by the program is The Hudson—the transformation of the former Hudson’s Bay Company Department Store into 152 new residential condominiums by Townline Developments of Richmond, BC. The four-storey building, originally constructed between

1914 and 1921, features a magnificent cream-coloured terra cotta façade with massive classical columns, which required expensive cleaning and repair. The award-winning project made innovative use of new openings carved out of the centre of the structure to allow natural light into the units facing the inner courtyard. The City also allowed the tax exemption to be applied to both the commercial space on the ground floor as well as to some of the new ground-floor commercial space in the adjacent new residential towers to help defray the huge expense of restoring the exterior façade.

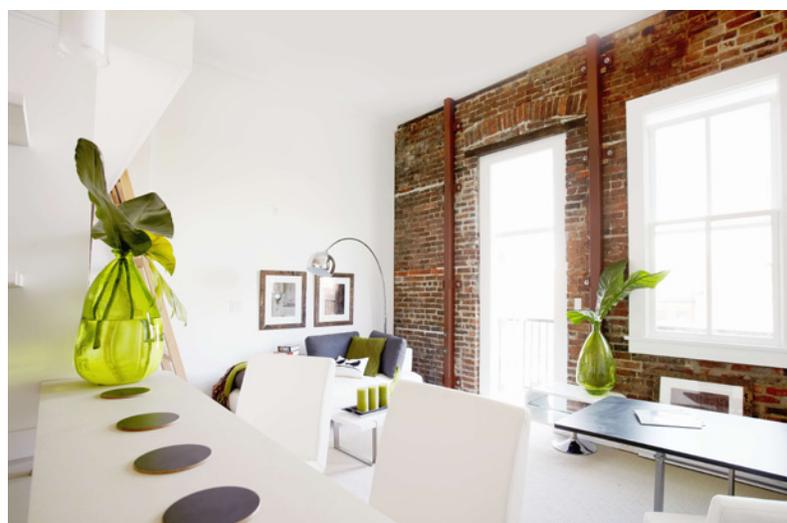
Across the street from City Hall, the Hotel Douglas was, for many years, the home of a pub that caused frequent visits by police. Purchased in 2000 by developer Danny Danzo, and assisted by a 10-year tax exemption, the hotel was reinvigorated as a boutique hotel with a new name, the Hotel Rialto. The hotel now includes a bistro, upscale bar, liquor store, and stylish new guest rooms with marble bathrooms and handcrafted cabinets. The ground floor was restored with huge new storefront windows, allowing a flood of natural light into the new restaurants. Replicas of the original terra cotta columns were installed using a new lightweight concrete product called Ductal. The project has won prestigious awards and has transformed the neighbourhood around City Hall.

One of the most active developers in Victoria in the field of residential conversions is Chris LeFevre. Starting in 1999 with the conversion of the Wilson Brothers Cold Storage Warehouse into 31 rental apartments known as Biggerstaff Studios, LeFevre and Company has over the years created numerous small, affordable apartments and condominiums through projects such as Morley's Soda Water Factory, the Leiser Building, Thomas Earle Warehouse, and the Oriental Hotel.

The conversions of the Leiser Building and Thomas Earle Warehouse were particularly innovative adaptive-reuse projects supported by the Tax Incentive Program. Both buildings had been acquired by the Capital Regional District, a local government agency, for use as offices, but their seismic vulnerability led to the agency abandoning them in favour of a new building. An imaginative structural solution involved the insertion of a massive steel frame in the courtyard between the buildings to provide the required seismic resistance. Mr. LeFevre and his architect, Ray Hunt, linked the upper floors with overhead walkways to provide the advantage of only one elevator for the upper floors. The \$11 million project, completed in 2008, created 30 new residential condominiums with some spectacular interior spaces featuring exposed brick walls and arched window openings.

The Oriental Hotel is a three-storey Victorian Italianate hotel in the heart of Old Town, built in stages between 1883 and 1888. The upper floors were vacant for decades before LeFevre and Company acquired the building in 2009. Converted to 32 new residential condominiums with retail space on the ground level, the former hotel's new street-view units feature beautiful bay windows. Access to the back units is through the innovative reuse of narrow light wells as walkways leading to their front doors.

Many of the residential conversions supported by the Tax Incentive Program have gone on to win awards from the Hallmark Heritage Society, Heritage BC, Victoria Real Estate Board, and Architectural Institute of BC. There are additional heritage building conversions in the planning stage, many of which would not be economically viable without the benefit of the Tax Incentive Program. The revitalization of long-derelict buildings on the Inner Harbour, such as the Northern Junk buildings and the Janion Hotel, will breathe new life into the downtown and restore the character of Victoria's architectural heritage by building on our past.



From top:

Leiser Building and Thomas Earle Warehouse by LeFevre and Company, exterior showing steel frame. Bob Matheson Photography

Thomas Earle Warehouse, interior. Bob Matheson Photography

Oriental Hotel by LeFevre and Company, exterior. Gary Holder Photography

Oriental Hotel, interior. Gary Holder Photography



Heritage Conservation in a Changing City

In a recent Vancouver Heritage Foundation survey, more than 96% of Vancouverites of all ages agreed that the city needs to preserve heritage buildings. Fifty percent of respondents would prefer to live in a retrofitted heritage building rather than in a new building, and 49% of respondents would pay more to do so.¹

Vancouverites clearly value heritage buildings, but is there a role for these older, character buildings among the City of Vancouver's stated priorities of affordability, energy efficiency, and densification? The answer is a resounding yes.

DEMOLITION AND NEW BUILDINGS ARE NOT THE ANSWER

During 2012, the City engaged the public in a discussion on affordable housing. Though opportunities to reuse existing buildings are mentioned, the direction resulting from this work²

1 *Conserving Heritage Buildings in a Green and Growing Vancouver*. Vancouver Heritage Foundation, 2012.
<http://www.vancouverheritagefoundation.org/documents/ConservingHeritageReport-FINAL.pdf>

2 *Final Report, Mayor's Task Force on Housing Affordability*. City of Vancouver, 2012.

Diane Switzer

Executive Director, Vancouver Heritage Foundation



Diane Switzer has been Executive Director of the Vancouver Heritage Foundation (VHF) since 2000. Her professional training is in education and non-profit management. The VHF is a charitable organization committed to creating a civic culture of repairing, reusing, and rehabilitating older buildings because they contribute to our sense of place, they attract tourists, and their reuse saves tons of debris from the landfill. We accomplish our mission through award-winning tours, publications, lectures, workshops, and grant programs.
www.vancouverheritagefoundation.org



mainly focuses on housing forms requiring new construction, most of which will come at the expense of losing the buildings that are already here. In 2011, 999 one- and two-family dwellings were demolished in Vancouver, and this number will undoubtedly increase to make way for new green buildings. However, investing energy and financial resources in new green buildings may not be any greener than making better use of the buildings we already have—through the three Rs of reuse, retrofit, and rehabilitation.

A 2012 Vancouver Heritage Foundation public survey found that 88% of Vancouverites support less demolition of heritage buildings in their neighbourhood.³

Reusing or retrofitting an existing building rather than demolishing to build new preserves the energy spent to construct the building in the first place, diverts tons of debris from the landfill, and pays tribute to the history embodied in the building. Reusing a building is almost always a better environmental choice: research shows that it can take from 10 to 80 years for a new, energy-efficient building to make up for the negative climate change impacts that were created during the construction process.⁴

Vancouver has houses and other building types that are almost a century old, built from materials able to last for another century. Looking at our existing residential stock as an asset to be valued rather than as a liability to be demolished will reduce the amount of solid waste created and will preserve some of the city's most affordable rental housing. On the commercial side, our vibrant and distinct neighbourhoods are mostly well

serviced with a local shopping strip and community amenities, but the replacement of these local village centres with new construction will also mean the replacement of locally owned shops with chain stores because rarely can the local shop afford the retail rents in the new buildings. Reusing what we have will retain the sense of place that is so attractive to locals and tourists alike.

HERITAGE IS PART OF THE PUZZLE

The question of how we are going to change to accommodate growth must be central to the analysis of new housing form ideas. Vancouver has spent decades nurturing neighbourhoods and encouraging residents to be proud of and involved in their neighbourhoods through community planning initiatives, business improvement associations, and shared amenities such as parks, community gardens, libraries, and community centres. Fostering pride in a neighbourhood and then putting in place

The VHF survey asked Vancouverites how they would like to see heritage resources incorporated into their urban environment over the next 20 years. Seventy-eight percent of respondents preferred a vision of the city with a combination of high density, high heritage value, and a diversity of building types and eras. This is an indication that cultural and historic built resources have a role to play, not only in the aesthetic environment of the future, but the practical achievement of densification of the city's neighbourhoods as well.⁵

³ *Conserving Heritage Buildings in a Green and Growing Vancouver. Vancouver Heritage Foundation, 2012, p12.*

⁴ *The Greenest Building: Quantifying the Environmental Value of Building Reuse. Preservation Green Lab: National Trust for Historic Preservation, USA, 2011.*

⁵ *Conserving Heritage Buildings in a Green and Growing Vancouver. Vancouver Heritage Foundation, 2012, p20.*



Vancouver Heritage Foundation

policies and programs that have unintended consequences—that encourage demolition of the unique character of these neighbourhoods—threatens each neighbourhood’s sense of place. We know we must all do our part, even the most precious of neighbourhoods, but not at the expense of our history.

The existing tool kit of programs, such as transfer of density, heritage revitalization agreements, secondary suite and laneway housing programs, can be effective tools to preserve neighbourhood character rather than destroy it. However, when the tools in the kit are allowed to rust and grow old, they become something to throw away in favour of a new tool. Without updating the heritage register and streamlining lengthy permitting processes there is little incentive to incorporate old buildings into new projects. It is easier to demolish and build new.

Building reuse, retrofit, and rehabilitation strategies cannot fulfill Vancouver’s housing needs on their own, but they are an important piece of the puzzle that is getting lost in the discussion of new, high-density green construction. Closer examination of existing buildings, the programs meant to protect them, and how they might be better used to meet new priorities of affordability, energy efficiency, and densification will help us to accommodate change while protecting the city’s history and character.

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PRESIDENT'S LUNCHEON



Wikimedia/Canadian2006

Now known as the Rosewood Hotel Georgia, the original Hotel Georgia opened in 1927, an example of the Georgian Revival style.

On December 6, 2012, REIBC held the annual President's Luncheon. This year the event was held at the Rosewood Hotel Georgia in Vancouver, in the Spanish Ballroom. President Andre Gravelle greeted the guests as they arrived and President-Elect Mandy Hansen emceed the event and kept things moving forward.

In attendance (of special note) was MLA Linda Reid from Richmond East, MLA Rob Howard, RI, from Richmond Centre, Deputy Minister Don Fast of Community, Sport and Cultural Development, Mayor Richard Walton from the District of North Vancouver, and Acting Mayor Larry Robinson from the City of White Rock. We were also pleased to have with us two honorary members, Dr. Stan Hamilton and Dr. Michael Goldberg. There were nine past presidents, four Award of Excellence winners, and a number of other distinguished guests. All in all there were 164 people registered and the event had been sold out since early November.

The Guest Speaker, Blair Hagkull, Advisor for Jones Lang LaSalle, spoke about Vancouver and its position globally in 2020. He presented the key drivers of the global competitiveness of cities, tracking investment, jobs, and reputation. Additionally, he examined the global hierarchies, hot spots, and hazards in the Top 300 cities and evaluated the key choices for people, capital, and companies. We would like to thank Blair as he has graciously agreed to let REIBC put his presentation on our website. It is posted under Events.

REIBC made a donation to Make-A-Wish Foundation of BC and Yukon on Blair Hagkull's behalf.

There were two door prizes at the President's Luncheon. Two tickets to Cirque du Soleil were won by Cam MacGregor of Concert Properties, and a night's stay at the Rosewood Hotel Georgia was won by Zina Weston of BC Assessment. Congratulations to them both.

REIBC would like to thank the event sponsors. Without them an event of this magnitude would not be able to take place. Thank you to the Real Estate Foundation for their generous support, and to the Table Sponsors—Concert Properties, Conecon, Ernst & Young, Morguard, Sauder School of Business – Real Estate Division, and the Society of Notaries Public. We also had sponsorship from the Real Estate Council of BC and the Homeowner Protection Office of BC Housing.



From top: President Andre Gravelle thanks speaker Blair Hagkull with a donation on Blair's behalf to the Make-A-Wish Foundation of BC and Yukon; President-Elect Mandy Hansen poses with door prize winners Cam MacGregor (left) and Zina Weston (right).



Real Estate Division



Homeowner Protection Office
Branch of BC Housing



The Marine Building

By Oxford Properties and REIBC

All photos provided by Oxford Properties.

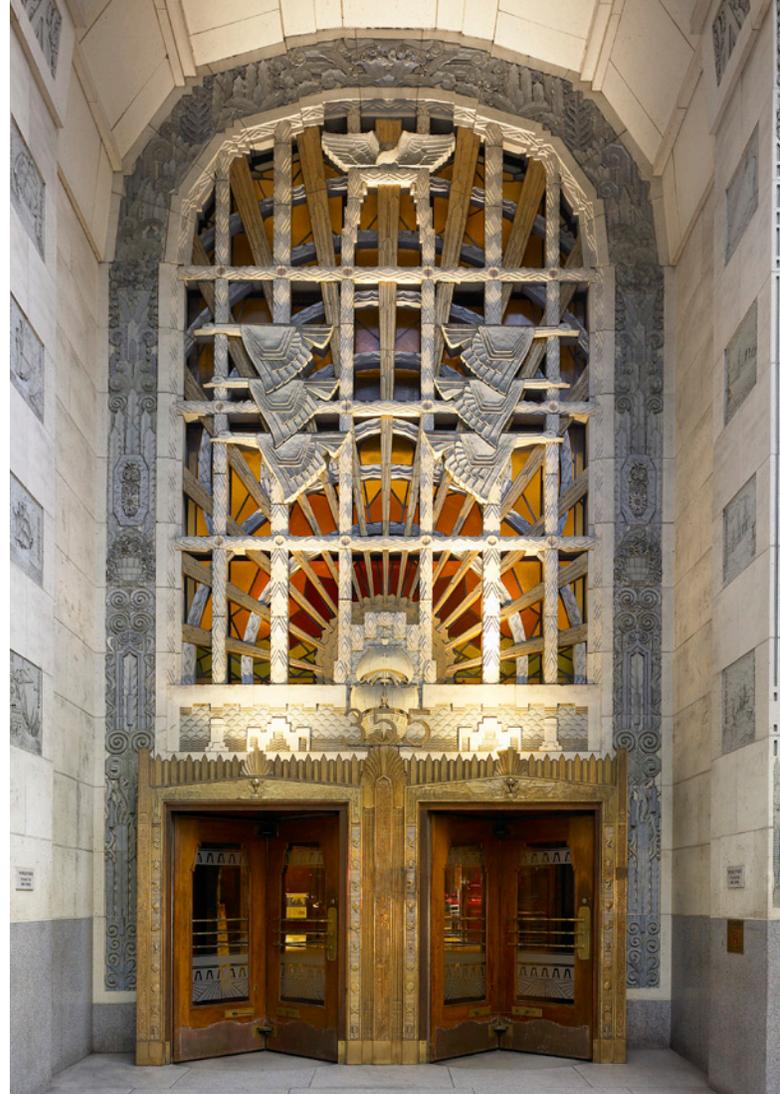
Built in 1930, and centrally located in downtown Vancouver on the corner of Burrard and West Hastings, the Marine Building enjoys special heritage status as an internationally acclaimed example of Art Deco architecture.

The terra cotta trim on the upper wings is said to represent sea foam on “the great crag rising from the sea.” Terra cotta busts of King Neptune guard the four corners of the sixteenth floor, while other exterior carvings depict scenic landscapes, sea life, and vessels significant to Vancouver’s business and development history. Eight historic ships are etched in bas relief above the front arch, and terra cotta zeppelins, biplanes, and trains show state of the art modes of transportation from the 1920s. Canada geese fly through gilt sunrays over the front entrance with its revolving doors set in a bronze frame carved with sea life.

Inside, the two-storey-high lobby has an impressive plasterwork ceiling featuring more sea life, wall sconces shaped as ship’s prows, and a marble floor with the twelve zodiac signs, a Viking ship, and whales. On the east wall of the lobby is a clock with starfish, crab, and other sea life used as numbers. Five elevators with intricately designed brass doors and interiors lined with varieties of hardwoods provide classic deco futurist geometric designs, including starbursts, lightning bolts, and zigzags. At the time they were built, the elevators’ 700-feet-per-minute speed was the fastest in North America west of New York.

The Marine Building was projected to cost \$1.25 million, but ended up costing \$2.35 million. Unfortunately timed during the Great Depression, the newly constructed office building had many empty offices, and the owners were forced to sell.





By 1933, the developer sold the Marine Building to the British Pacific Building Company for \$900,000.

The 1980s renovation program of \$17 million restored unique architectural features and upgraded the building's electrical, mechanical, and air-conditioning systems. One of the renovations replaced the lobby floor's original "battleship linoleum" from Scotland with marble. The renovation of the former Vancouver Merchants Exchange in the northern wing of the main floor changed it into the Imperial restaurant, in the process destroying a large mural of the world and covering its original floor. However, the overall success of the program has won it a City of Vancouver Heritage Award and the building remains a magnificent example of the Art Deco style.

Maintaining the building's prestige and operational efficiency has proven to be a demanding task. Annual heritage restoration requirements, dated drawings, and the absence of a loading dock and on-site parking lot are a few of the challenges that the building's owners and managers (Oxford Properties Group) encounter. The building draws on amenities and parking at neighbouring Oxford and Guinness towers and Oceanic Plaza, which along with the building's history and charm keep the offices tenanted.

The Marine Building is currently in Vancouver's historic building tourism guide, and it has made appearances in major motion pictures and television series. It can be seen in the films *Timecop* and *Fantastic Four: Rise of the Silver Surfer*, and was featured as the headquarters of the Daily Planet in the television series *Smallville*. The building's offices are home to over 50 different organizations, including the Real Estate Institute of BC.

MARINE BUILDING FACTS

Age: 83 in 2013

Floors: 19 tower floors, 3-level penthouse, 4 partial floors below street grade

Height: 303 feet tall, measured from the corner at Hastings and Burrard

Area: 178,663 square feet rentable

Site: Acquired in 1928 for \$300,000

Construction: start 1929; official opening, October 1930

General contractor: E.J. Ryan Contracting Co. Ltd.

Developer: Toronto-based Stimson's Canadian Development Company

Architect: McCarter and Nairne

Budget: \$1.25 million; actual cost, \$2.35 million

Assessed value in 2012: \$53 million

The Economics of Change: A New Investment Paradigm for the Built Environment

We have a problem. Several years ago, the Stockholm Resilience Centre offered a new framework for understanding the earth's capacity to support human activity. It identified "nine planetary boundaries" within which humanity can thrive.¹ According to the team of scientists who developed this framework, we have blown past three of nine planetary thresholds over the past 60 years. The team is still establishing thresholds for chemical pollution and aerosol loading, but of the other indicators, all but ozone depletion are moving rapidly into the danger zone.

The categories attached to each boundary can be tracked individually, but the Planetary Boundaries framework is best understood as an illustration of a deeply interconnected system. Damage in one area weakens the system as a whole and undermines the planet's resilience to ongoing ecological stress.

While it is not possible to identify a single smoking gun for the problems that we currently face, the building industry and the built environment stand out for attention. Together they account for 50% of global greenhouse gas emissions. Conventional modern buildings are composed of highly toxic materials that can undermine the health of their inhabitants and of the people and communities that produce them. The irresponsible extraction of raw materials and unchecked urban sprawl are threatening untold numbers of species with extinction. Workers paid substandard wages subsidize "cheap" materials from global sources.

¹ <http://www.stockholmresilience.org/21/research/research-programmes/planetary-boundaries/planetary-boundaries/about-the-research/the-nine-planetary-boundaries.html>

Sarah Costello, LEED AP

Vice President of Development and Communications, International Living Future Institute

Sarah Costello is Vice President for Development and Communications at the International Living Future Institute (ILFI). A skilled writer and researcher, Sarah heads up the Institute's efforts to catalyze a global network of advanced green building practitioners and sustainability activists.

ILFI administers the Living Building Challenge™, the built environment's most rigorous and ambitious performance standard. It is the parent organization for Cascadia Green Building Council, a chapter of the Green Building Council of both the United States and Canada, serving British Columbia, Washington, and Oregon.





Unfortunately, the incredible groundswell of innovation and entrepreneurialism that could rapidly transform the built environment ... keeps bumping up against the same barrier—our systems for valuation and finance, which incentivize conventional building practices and do not account for the economic and environmental value of advanced green building features.

Gulf Islands Operations Centre, Sidney. The first LEED Platinum building registered in British Columbia.

If we try to solve these challenges in isolation—cutting carbon without addressing the toxicity, habitat impacts, or social justice implications of our decisions—we shift the problem but don't resolve it. If, however, we begin by offering a comprehensive strategy for transforming the built environment, then we may reverse these trends and move toward a more ecologically and socially balanced world.

WE CAN SOLVE IT

Luckily, we have everything we need to solve the problem, and to unleash a new era of positive impact investment and entrepreneurialism while we're at it. Over the past decade, the green building movement has helped to create a critical mass of professionals capable of producing buildings that dramatically reduce or eliminate greenhouse gas emissions and other negative externalities. The certification of the first projects through the Living Building Challenge™,² the world's most rigorous performance standard, demonstrates that the built environment can actually be an important part of a strategy to repair the greater ecosystem and create a healthy, sustainable economy for the twenty-first century.

Green building is also demonstrating that economic and environmental progress can go hand in hand. A new generation of advanced green building professionals is spurring exciting opportunities for economic growth. Skilled designers and engineers are in high demand worldwide, and a renewed emphasis on locally sourced, nontoxic materials has opened the door for regional manufacturing and living-wage jobs. In Oregon, to take just one example, the economic opportunity presented by green building prompted the state legislature to

create OregonBEST, an independent non-profit organization dedicated to developing partnerships between the state's industrial leaders and its research universities to bring new green building products to market.

SO WHAT'S THE HOLD UP?

Unfortunately, the incredible groundswell of innovation and entrepreneurialism that could rapidly transform the built environment (and go a long way toward moving us all back into the "safety zone" of our planetary boundaries) keeps bumping up against the same barrier—our systems for valuation and finance, which incentivize conventional building practices and do not account for the economic and environmental value of advanced green building features. Lending approaches, appraisal protocols, and valuation models currently neither recognize nor appropriately value environmentally sound building practices, slowing innovation and market growth at green building's leading edge.

These barriers affect the perceived financial viability of environmentally sound projects. As a result, long-term deep sustainability is often considered a luxury available only for those who can afford "extras," and green building best practices are generally ignored for most market-rate building projects and rarely incorporated into below-market affordable housing, where they are needed most.

Any plan to encourage entrepreneurialism in the building industry or to improve the supply of affordable or market-rate sustainable buildings that does not address the structural financial changes needed in the appraisal and lending industries and in national accounting standards is missing a critical piece of the puzzle. The same holds true for energy policy reform:

2 <http://living-future.org/living-building-challenge>



Green roof at the Marriott Hotel in Victoria.

we cannot reverse current atmospheric carbon levels without tackling the built environment's contribution head on, and to do so, we must seriously examine what we value and how our financing models should be reshaped to reflect our current resource-constrained context.

WHAT DO WE DO NEXT?

Our project, The Economics of Change, offers a new model for real estate investment that will remove the artificial financial disincentives for deep green buildings and clear the way for dramatic improvement in the built environment's relationship to the ecosystems it inhabits. In Phase 1, our project team created a prototype modelling tool that shows how ecological economics, complex systems analysis, and practical market experience can be used to assess and monetize social and environmental benefits inherent in green building.³

WHAT IS AN "EXTERNALITY"?

The definition used by ILFI: "the effects of a purchase or use decision by one set of parties on others who did not have a choice and whose interests were not taken into account."

Examples:

- pollution (negative externality)
- improved air quality (positive externality)

This Integrated Real Estate Investment Modeling Tool links standard real estate investment models with additional data layers that provide a detailed map of social and ecological value creation in the building under consideration. These layers allow specific streams of social and ecological benefits (e.g. worker productivity, street trees) to be identified, described, and quantified, modelled, and given a theoretical economic

value based on the shadow prices that would be in effect in a properly functioning market that priced externalities at their true social and ecological cost. This mapping, measuring, and modelling allows us to understand the integrated value of a building, with credits for positive externalities and debits for negative externalities, creating for the first time an accurate picture of a building's value when considered in its fullest social and ecological context.

By understanding where market value differs from integrated value, policymakers, developers, lenders, appraisers, and other real estate professionals can create a road map of transformation toward more comprehensive valuation that can protect long-term investments and anchor effective policy. The Economics of Change project will be a key part of that road map by providing defensible data and valuation estimates that can help drive the unrecognized value of everything from natural daylight to ecological stormwater treatment from a theoretical calculation into investment models and appraisals. Over time, this will increasingly incentivize high-performance green buildings, creating extraordinary entrepreneurial opportunity.

We have already begun work on Phase 2, thanks to the support of the Bullitt Foundation and the John D. and Catherine T. MacArthur Foundation, and we are seeking additional funding to complete our research and advocacy agenda. Our core deliverables from this phase include:

- Development of new real estate investment models that systematically incorporate environmental and social costs and benefits
- Deployment of models through new "federated Wiki" that make it possible to create multiple versions of the modelling tool, reflecting policy and regulatory realities in different regions
- Policy recommendations and implementation based on the best tipping points available through an integrated understanding of environmental and social costs and benefits of the built environment. Our policy recommendations will reflect the following key factors:

³ See more on the project: <http://living-future.org/economicsofchange>

likely impact; proposed funding mechanism; ease of measurement and implementation; political viability; and administrative agency

By tapping into the collective wisdom and experience of a growing community of finance and valuation professionals and other stakeholders, we will ensure that our tool is as practical as it is ambitious. The open-source development will also offer a point of engagement for these industries, creating a corps of intensely engaged ambassadors throughout the financial industry.

Our project team comprises nationally recognized professionals with extensive experience in building finance and valuation and real estate development, including Autopoiesis LLC, Cushman & Wakefield, and our own organization. In addition, we are supported by a carefully selected (and still growing) advisory council of industry leaders from real estate, policy, advocacy, valuation, sustainable design and lifestyles, and clean technology. We have laid the groundwork for a successful effort.

WHAT WILL SUCCESS LOOK LIKE?

The Economics of Change project will be successful when it has helped to shift hundreds of billions of dollars of real

estate investment toward restorative buildings. Our goals in this effort are undoubtedly bold, but we believe that by offering a compelling vision for the future of the industry, we will create a coherent structure in which desperately needed change can take place.

This theory of change has defined our work with the Living Building Challenge, which has successfully inspired and rallied the green building industry to go beyond minor, incremental improvements in energy and environmental performance. Until the launch of the Challenge, the green building movement was making great strides, but it lacked a clearly articulated end goal. In a few short years, the Challenge has changed the whole nature of the discussion about what is possible for green building and spawned a quickly growing international movement.

Like the green building movement when the Living Building Challenge was introduced, the real estate finance community currently lacks a clear vision of what a twenty-first century real estate economic model should look like. By laying the groundwork for a new paradigm, our project will ultimately drive investment toward buildings and infrastructure that are financially resilient, socially just, and ecologically restorative.

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Roger Cheng, AACI, P.App, RI

Managing Director,
Johnston, Ross & Cheng Real Estate Evaluators



Roger has been a member of the Institute since 1993. During this time, Roger has spent 16 years volunteering for the Institute in roles such as Governor and Chapter Chair, and also chaired the Admittance Committee and the Government Relations Committee. When asked why he gave so much of his time to the Institute, he said he really likes what the Institute offers—interacting with the multidisciplinary membership has always

appealed to him and he finds it very interesting to hear from other members working in different fields.

In 2007, Roger joined the Richmond Hospital Foundation, where he was on the Board of Directors until 2010. At that time, Roger stepped down and has now been appointed to the Board of Governors of the Foundation. The Richmond Hospital Foundation has recently honoured Roger and his company (Johnston, Ross & Cheng Real Estate Evaluators) with the inaugural Richmond Hospital Foundation Community Cares Award. This award was presented to Roger in recognition of his leadership that has helped the Foundation reach out to the growing and diverse Richmond community. Roger believes that when you live in a community you draw on it, and so need to give back to that community.

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!

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CAREER NOTES: THE LONG AND WINDING (CAREER) ROAD

When I was asked to write an article for Career Notes I read back through some of the past submissions for some inspiration. The article that stood out to me was Andrew Tong's "That Great Real Estate Career." I have had the pleasure of hearing Andrew speak several times and even worked with him on a project briefly during my time at Canadian Pacific Railway. I think anyone looking for a real estate career would be well advised to follow the path that Andrew has taken and that he laid out in his article.

However, in many cases the opportunity to get in at the ground level of a company and work your way up may not present itself. The question then becomes: What path do you take to reach your career goal?

When I graduated from UBC Commerce in 2001, I knew that my goal was to manage a large portfolio of real estate. Most of my classmates were focused on development, appraisal, and sales, so I thought that finding a position in Asset Management would be easy. However, I quickly learned that many of the large companies I was interested in had fairly small real estate departments. These departments were often secondary to their line of business and they rarely had junior positions for people fresh out of business school. Whether a restaurant chain, supermarket, or railroad, real estate was always a minor but important part of the business. These companies tended to hire experienced professionals rather than training someone.

Given this situation I concluded the best way to reach my goal would be to try to build a broad base of real estate knowledge and experience. As such, I took a position as an analyst for a consulting firm, then followed that with a stint in real estate education, and finally went to work as a developer in Australia.



When I was finished my development project in Australia I came back to Canada with seven years of real estate experience in several different fields. I had finally gotten to the point where I had the education and experience to qualify for an asset management job, and when an opportunity at Canadian Pacific Railway presented itself I was an excellent fit.

The path, however, doesn't stop there. As I soon discovered, even once you have a position in asset management there can be limited opportunities to advance as again the real estate portion of the company is not the main focus.

To advance my career to the next level I realized I would need to look to another company for a more senior position. My experience at CP was invaluable in my search for another position and when an opportunity with McDonald's presented itself I was an excellent fit once again.

I don't regret the approach I took to my career as I always enjoyed the jobs I was doing and could clearly see how each would lead to my goal. My career path has been a long and winding one, but it has led me to the destination I wanted and it was an enjoyable trip.

Wes Gentle, B.Comm, RI

Asset Manager Western Canada, McDonald's Restaurants of Canada Limited

Wes is the Asset Manager for McDonald's, managing real estate for over 500 stores in Western Canada. He has over 12 years' experience in the real estate industry in consulting, developing, and managing. Wes is also a tutor for three courses in the UBC Diploma Program in Urban Land Economics. He is married and has two dogs.





Gastown Revival

Heritage Recognition and Revitalization in Vancouver's First Neighbourhood

flickr/Payton Chung

By REIBC

Of the more than 900 national historic sites in Canada, more than 90 are in BC, and 19 of those are found in Vancouver. Gastown, on the south side of Burrard Inlet in downtown Vancouver, was designated as a national historic site in just 2009. It is Vancouver's oldest neighbourhood, part of the original townsite of Granville before it was incorporated as the City of Vancouver in 1886.

HISTORIC SIGNIFICANCE

At the time of its designation in 2009, the Gastown Historic District held 141 buildings, built mostly between 1886 and 1914. According to the Canadian Register of Historic Places, Gastown Historic District was named as a national historic site for three main reasons. First, it is an intact urban commercial area that represents, through the visual qualities of the buildings, an early Western Canadian city core and the growth of the Western economy in the late nineteenth and early twentieth centuries. Second, it is an exceptional and rare group of buildings, harmonious in terms of scale, materials, and architectural detailing. Last, it illustrates the activist heritage movement of the 1970s that brought early legal protection to this historic district.¹

The layout and location of the district on Burrard Inlet reflect its role as a wholesale district and key shipping point between the Prairies and the Pacific Rim. The Canadian Pacific Railway runs between the inlet and the townsite, and with both water and rail access Gastown grew as a commercial district. Its blocks are organized in a grid pattern aligned with the shore, with buildings that range from two to six storeys, spanning the Victorian Italianate style of the late nineteenth century, the Victorian Romanesque Revival style of the early twentieth century, and the industrial style found in pre-WWI architecture. Masonry construction is characteristic of buildings throughout

the site, with brick and stone façades, street-facing windows set at regular intervals, and glassed-in storefronts at grade.

Vancouver citizens have played an important role in the protection of Gastown's heritage. Along with the adjacent neighbourhoods of Chinatown and Strathcona, Gastown was under threat in the 1960s from a proposed freeway development that would cut through the historic district. Citizen activism from many quarters, including heritage, opposed the freeway, and by 1971 had secured a provincial designation for Gastown as a heritage site.

PROTECT, PLAN, IMPLEMENT

The City of Vancouver's *Gastown Heritage Management Plan* (2001) describes the 1971 provincial designation as a measure requested by the City of Vancouver, intended as a temporary form of protection until the *Vancouver Charter* could be amended to allow the City to offer designation. However, the City was unable to designate the properties at the time, so the provincial designations were retained. In 1981, authority to issue ministerial permits for building alterations was given to the City's Director of Planning.² The *Vancouver Charter* has since been amended to give City Council the power to designate heritage properties, and dictates the process the City must follow to protect a property.³

The intent of the *Gastown Heritage Management Plan*, developed for the City of Vancouver and Province of BC in 2001, was to set the direction for the physical change of Gastown's built environment and facilitate the conservation of the district's heritage structures. It identified a number of goals and actions to make this happen, including the introduction of incentives and removal of disincentives for conservation projects. It also identified the need for improvement of economic and social conditions that must occur for the sake of long-term revitalization of the area. The *Gastown Heritage Management Plan* was part of a larger, more comprehensive revitalization strategy.

1 <http://www.historicplaces.ca/en/rep-reg/place-lieu.aspx?id=16124>

2 *Gastown Heritage Management Plan*, City of Vancouver, 2001.

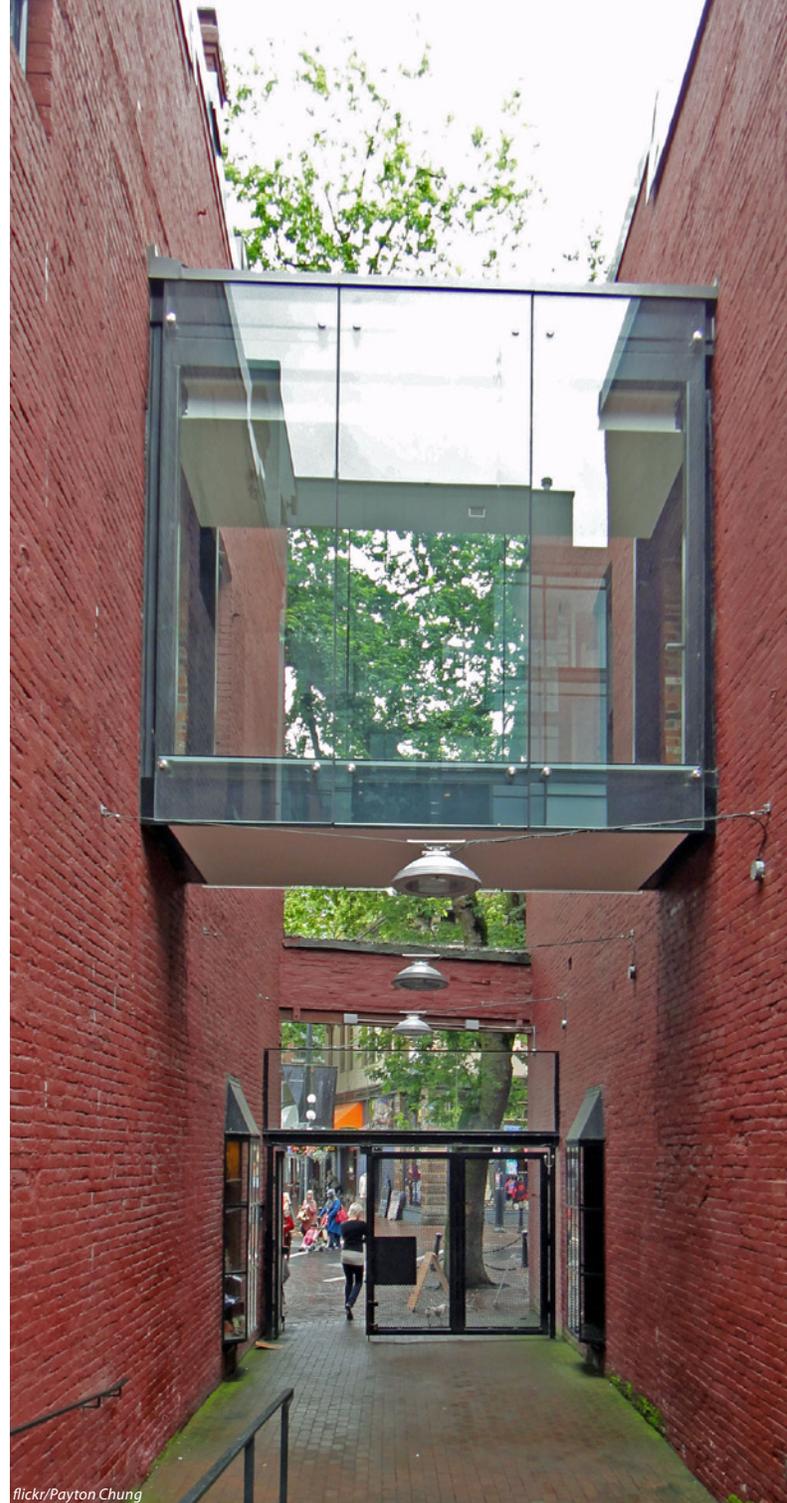
3 <http://vancouver.ca/home-property-development/heritage-designation.aspx>

Currently, the City of Vancouver uses a variety of tools to protect heritage. Heritage designation provided under the *Vancouver Charter* protects heritage buildings and landscapes from “unsympathetic alteration and loss of character or value.” Density incentives allow a transfer of density to developers who legally protect and rehabilitate heritage properties. Heritage revitalization agreements are negotiated with willing owners to protect, preserve, and restore their heritage properties in return for development incentives. Design guidelines for heritage areas ensure that the character of new development in such areas is compatible with the historic built environment.⁴

NEW SPACES IN OLD BUILDINGS

Recent years have witnessed a strengthening revival of this once-declining neighbourhood. New residential and commercial projects are carving homes from the district’s historic buildings and offering exciting spaces for restaurants, offices, and shops. This is changing the mix of what was formerly a commercial district into one that embodies the Vancouver identity of today, allowing residents to work and socialize in the same neighbourhood they live in.

Of all the heritage revitalization projects in the area, the redevelopment of the historic Woodward’s building has made perhaps the largest impact on the neighbourhood due to its scale and prominence. But Gastown’s revival is much more than a one-project wonder. The district is becoming increasingly well known for heritage conversion projects that are bringing new life and purpose to the area. A scan of recent heritage award programs reveals that the work undertaken in Gastown has been sensitively and imaginatively done. In the most recent (2011) presentation of its Heritage Awards, the City of Vancouver recognized 17 development projects, seven of which are in Gastown. In the same year, Heritage BC recognized some of these same projects. Of special note is a trio of Gastown heritage revitalization projects recognized for outstanding achievement based on their combined impact. The three projects encompass five contiguous buildings on Water Street (see next page).



flickr/Payton Chung

Glass bridge and Gaoler’s Mews entry, Alhambra Building. See Gastown Rehabilitation, next page.

⁴ <http://vancouver.ca/home-property-development/how-we-protect-heritage-properties.aspx>

Heritage Conservation Awards

The Heritage BC Annual Awards Program recognizes achievement by individuals, associations, businesses, and governments in the field of heritage conservation. Anyone can submit a nomination. The deadline is March 1, 2013. See the Heritage BC website for details and an online submission form: www.heritagebc.ca

The City of Vancouver Heritage Awards acknowledge the special accomplishments, projects, and efforts that have furthered the goal of heritage conservation in the city. The Heritage Awards Ceremony is held every two years, usually in April or May. The next Heritage Awards Ceremony will be in 2013.



GASTOWN REHABILITATION

By Heritage BC

2011 HERITAGE AWARDS: OUTSTANDING ACHIEVEMENT
Awarded to The Salient Group, Acton Ostry Architects, and Donald Luxton and Associates

An Outstanding Achievement award has been given to a series of projects on one block of Vancouver's Gastown. The jury recognized the merits of all three projects, which were submitted as separate nominations, but determined that it was the overall impact of the efforts by one team to revive five contiguous buildings that needed to be recognized and honoured.

The Terminus and Grand project presented special challenges. The Terminus Hotel was devastated by a fire in 2000 and only a three-storey brick façade survived of the original building. The adjacent Grand Hotel had been vacant for 35 years and the deterioration of the original timber structure was beyond rehabilitation. Together, the two buildings created a dead zone and an eyesore in the centre of one of the most important historic blocks in Vancouver. Through retention and restoration of architectural elements where possible, and an innovative approach to new space, the Terminus and Grand are now linked to form an exciting piece of urban fabric behind two of the oldest façades that define historic Gastown.

The Cordage and Garage project also involved the restoration, rehabilitation, and interconnection of two buildings in the same block. Integration of six- and seven-storey residential use and

two-storey commercial use with existing street fronts and an existing courtyard mews dictated many aspects of the design. New upper storeys are set back from, or aligned with, existing robust masonry historic street fronts. New dwelling units and work spaces meet contemporary demands for flexibility while capturing optimum natural light from the limited existing windows. Sustainable design strategies include green roofs, efficient water use, and geothermal energy systems. Building materials were salvaged and recycled or reincorporated into the project.

The Alhambra is one of Vancouver's oldest structures. A corner building that fronts both Water Street and Carrall Street, its distinctive Italianate architecture is one of the most notable features of historic Maple Tree Square. Conservation focused on restoring the architectural elements of the two façades to an exacting degree. The approach to the courtyard and interior was rehabilitation. New elements introduced, including an elevator and suspended bridge, were highly glazed and contemporary in appearance to contrast with the original building.

Together, the five buildings involved in these three projects form an impressive ensemble of historic architecture, spanning the time from the Great Vancouver Fire of 1886 to the 1930s, from the Victorian era to the modern exuberance of Art Deco. The investment of funds, effort, and expertise, and the vision and courage to take on a series of daunting projects, has resulted in an enormous shot in the arm for the entire block and reaffirmation of the whole historic Gastown concept.



MEMBER PROFILE

Gary Gray, RI

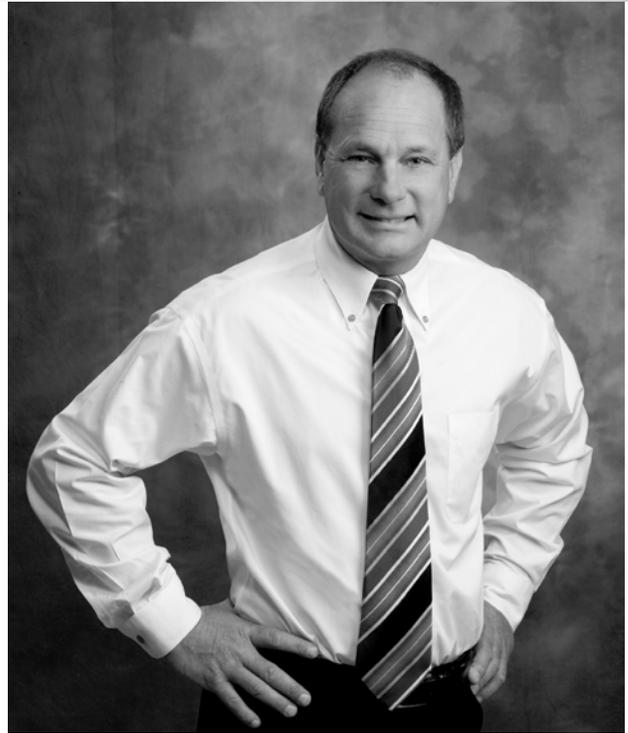
Managing Broker, Coast Realty Group

Gary Gray graduated from UBC in 1982 and began his career in real estate that same year as a Property Development Officer with Public Works Canada. Working first in Ottawa, Gary relocated to the Western Region office in Edmonton where he also moved from property development to property acquisition. Gary's work took him all over the Prairie Provinces and the Northwest Territories, and in 1988 he transferred to the Pacific Region, headquartered in Vancouver, where he focused on the acquisition of leased accommodation for various federal government operations. In recognition for the excellence of his work, Gary received a Deputy Minister Award for his achievements while at Public Works Canada.

In 1993, Gary stepped away from real estate to assist in the operation and management of a family-run agency business for Shell Canada in his hometown of Port Alberni. Within ten years, Gary was responsible for a consolidated Vancouver Island operation that extended from the Malahat to Campbell River, and had received recognition from Shell Canada for his work managing one of the most successful Shell agencies in Western Canada.

Gary maintained an interest in real estate, and in 2003 joined Coast Realty Group as a sales representative. In 2005, he took on the additional role of Managing Broker for the Port Alberni and West Coast offices. Gary has been among the top sales representatives with Coast Realty Group (Port Alberni) for many years and really enjoys helping his clients achieve their dreams of owning a house and creating a home.

A member of the Vancouver Island Real Estate Board since 2003, Gary joined its commercial division in 2010—the same year he was elected as Director—and will serve as President in 2013. He has been a Professional member of the Real Estate Institute since 1992.



Family is the most important part of Gary's life. He has four children—two who were born in Vancouver, and two who arrived in Edmonton. All have completed post-secondary education and are on their way to successful careers. When the opportunity came in 1993 to move back to Port Alberni, it was a chance to reconnect with friends and family. Gary's wife, Deborah, graduated from a nursing program in 2009 and is devoted to her lifelong dream of being involved in patient care.

Gary has a quiet passion for British sports cars. He has owned an older MG Midget for 20 years, and recently, on the occasion of the thirty-fifth anniversary of his (and his wife's) high school graduation, celebrated with the purchase of a completely restored MGB from his graduation year, 1977. Gary and Deborah look forward to more travelling and day trips in their little car.

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