

CHIP REIT bolsters its B.C. portfolio with resort, spa and restaurant acquisitions

Eastside Vancouver proving to be the new land of opportunity for local condo developers

Millennium looks north

Vancouver-based developer Millennium is looking to the North Shore.

Millennium, builder of the 117-unit One Park Lane project in the Lower Lonsdale area, will close on the purchase of North Vancouver's Esplanade Centre at the end of May. A purchase price has not been disclosed.

Though **Ross Forman**, broker for the Toronto-based vendor **260 Esplanade Holdings Ltd.**, said redevelopment was one of the options when the property hit the market last summer, Millennium plans to hold the property as an investment for the foreseeable future.

Millennium vice-president, finance, **Zul Dahya**, said redevelopment of the site won't occur until existing leases expire in five to seven years. The 105,024-square-foot office complex is leased to several long-term tenants, with vacancies dropping last year in tandem with growing demand for commercial space in the region.

Dahya said the property enjoys a good location whether used for commercial or residential.

Colliers International broker **Terry Thies** represented Millennium in the transaction.

The chips are up

Vancouver-based investment trust **Canadian Hotel Income Properties REIT** has acquired the 239-room **Delta Victoria Ocean Pointe Resort & Spa** as well as Vancouver's **Cannery** and **Fish House** restaurants for \$34 million.

CHIP has kept a low profile in

REAL ESTATE ROUND-UP PETER MITHAM



B.C. for the past few years, but the acquisition of the properties through the REIT's operating company **CHIP Hospitality**, changes that.

The acquisitions, from Japan-based **Aplus Canada Inc.** (formerly **Daishinpan Canada Inc.**), mark the REIT's first purchases in B.C. since 1997. Until last week, its only holding in the province was the **Residence Inn by Marriott** at the south foot of Hornby Street in Vancouver. The property underwent a \$1.5 million makeover last year.

The Delta purchase gives CHIP REIT a total of 31 hotels across Canada comprising 7,300 rooms. Trust revenues totalled \$298.8 million for the year ended December 31, 2005, up from \$274.8 million a year earlier. Its net profit last year was \$21.7 million, up from \$16.9 million in 2004.

Eastward, ho!

News columnists have a skeptical streak, but a recent SkyTrain trip to Commercial Drive helped make sense of the big-picture thinking behind the growing message from urban planners and condo marketers that Vancouver has nowhere else to grow but east.

Two years after the eastside development boom began taking shape (see *Downtown eastside devel-*

opment boom sparks neighbourhood optimism, BIV issue 757, April 27 – May 3, 2004), the International Village area has all the appearances of a genuine urban community. **Pinnacle International** completed its 251-unit Taylor complex at 550 Taylor Street last October, and **Henderson Development (Canada) Ltd.** is giving shape to its 457-unit Firenze tower in Keefer Place with occupancy scheduled for the end of this year.

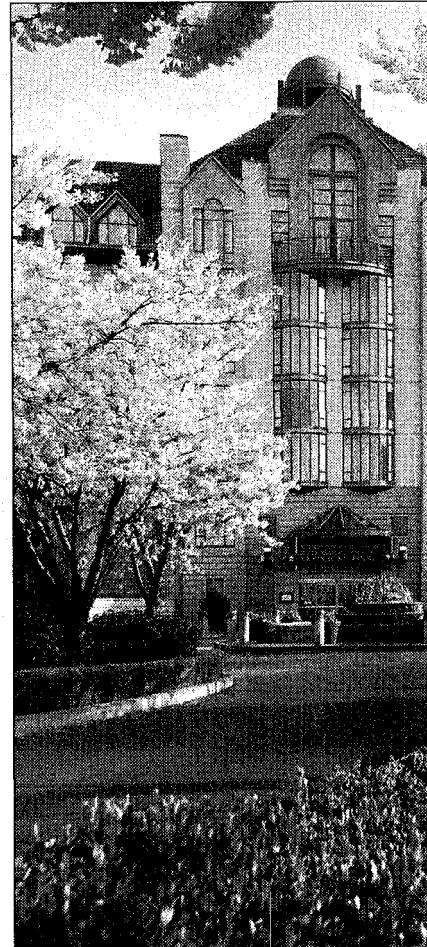
"The whole area is changing rapidly," said **Cameron Frewin**, a Henderson leasing rep.

The International Village shopping centre itself is seeing more interest, Frewin said, though he declined to give the current occupancy rate.

With Henderson planning to add 458 units to the area with its Espana towers, **Concord Pacific** continuing to build out the north shore of False Creek and **Woodward's** poised to begin selling April 22, Frewin believes the eastside is rebounding.

"We're starting to see the change," he said.

Indeed, over the next eight years, Vancouver city staff has forecast 5,000 new residents for the area east of Cambie Street that includes Gastown, Victory Square and Chinatown, as well as International Vil-



Delta force: the Delta Victoria Ocean Pointe REIT's portfolio of 31 hotels across Canada I acquisition in B.C. since 1997

lage. The area currently has about 16,000 residents.

For the record, pre-registrations for the Woodward's project have surpassed the tally of 3,000 reported here last week and stand (at this writing) somewhere closer to 5,200. With the focus turning to

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