

FUTURE FORWARD

THE RISE OF URBAN ENCLAVES
IN METRO VANCOUVER

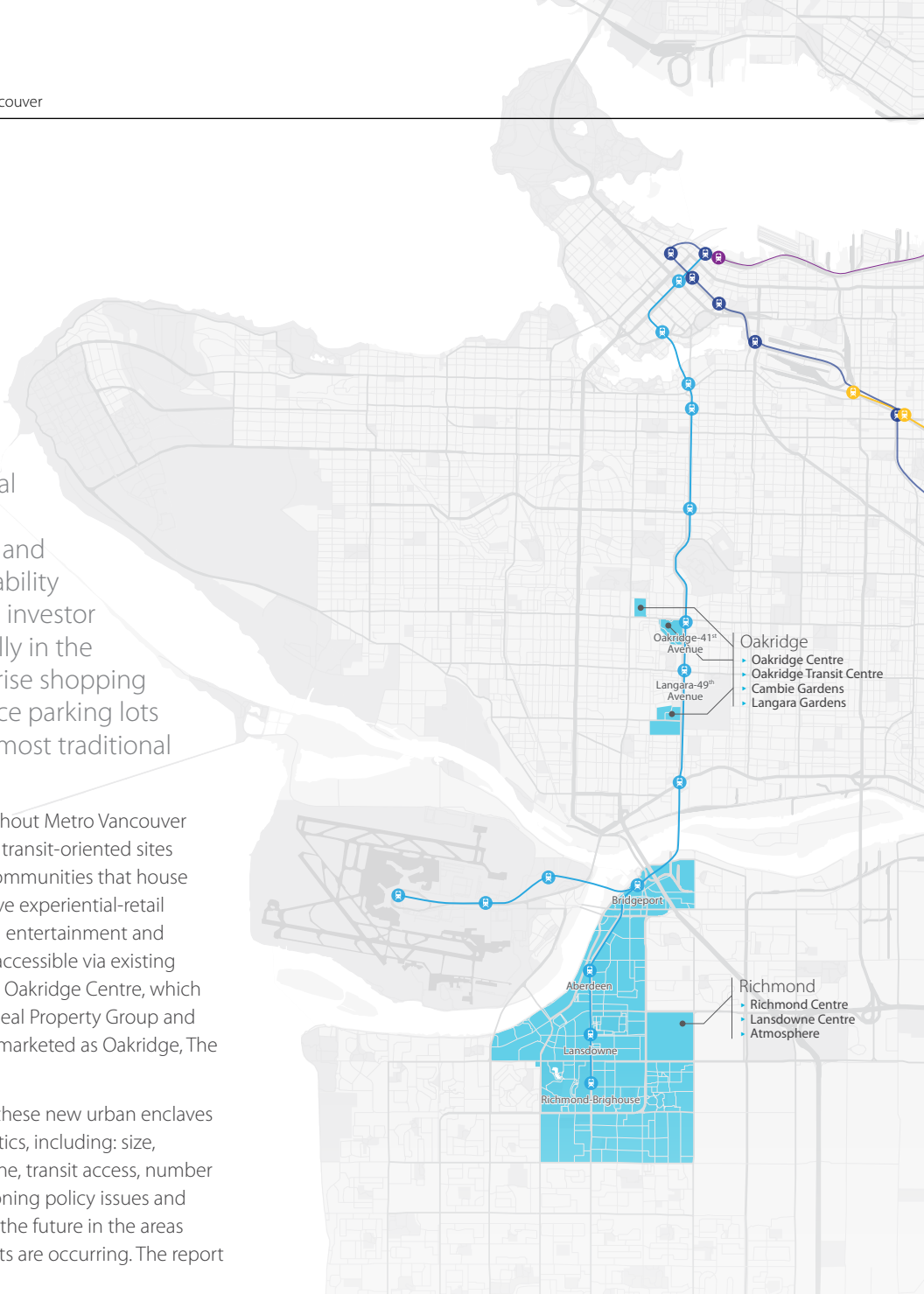
AN AVISON YOUNG TOPICAL REPORT
SPRING 2019

FUTURE FORWARD

Metro Vancouver has long suffered from a shortage of developable land due, in large part, to geographic and political boundaries that have limited urban sprawl in the region. As land prices have risen and the availability of development sites declined, investor interest has grown exponentially in the redevelopment of typical low-rise shopping centres and the adjacent surface parking lots that form a substantial part of most traditional car-centred regional malls.

New *urban enclaves* are emerging throughout Metro Vancouver as former regional shopping centres and transit-oriented sites are being redeveloped into mixed-use communities that house thousands of residents, and offer extensive experiential-retail opportunities, community amenities and entertainment and hospitality options – all of which will be accessible via existing transit lines. One of the largest such sites, Oakridge Centre, which is currently being redeveloped by QuadReal Property Group and Westbank in Vancouver, is already being marketed as Oakridge, The Living City.

This topical report will review the rise of these new urban enclaves and summarize their relevant characteristics, including: size, construction status, development time line, transit access, number of residents, as well as discuss relevant zoning policy issues and additional developments still to come in the future in the areas where these transformative developments are occurring. The report will conclude with a review of the economic, geographic, political and social conditions that led to the rise of these new communities and what they mean for the future of the region.



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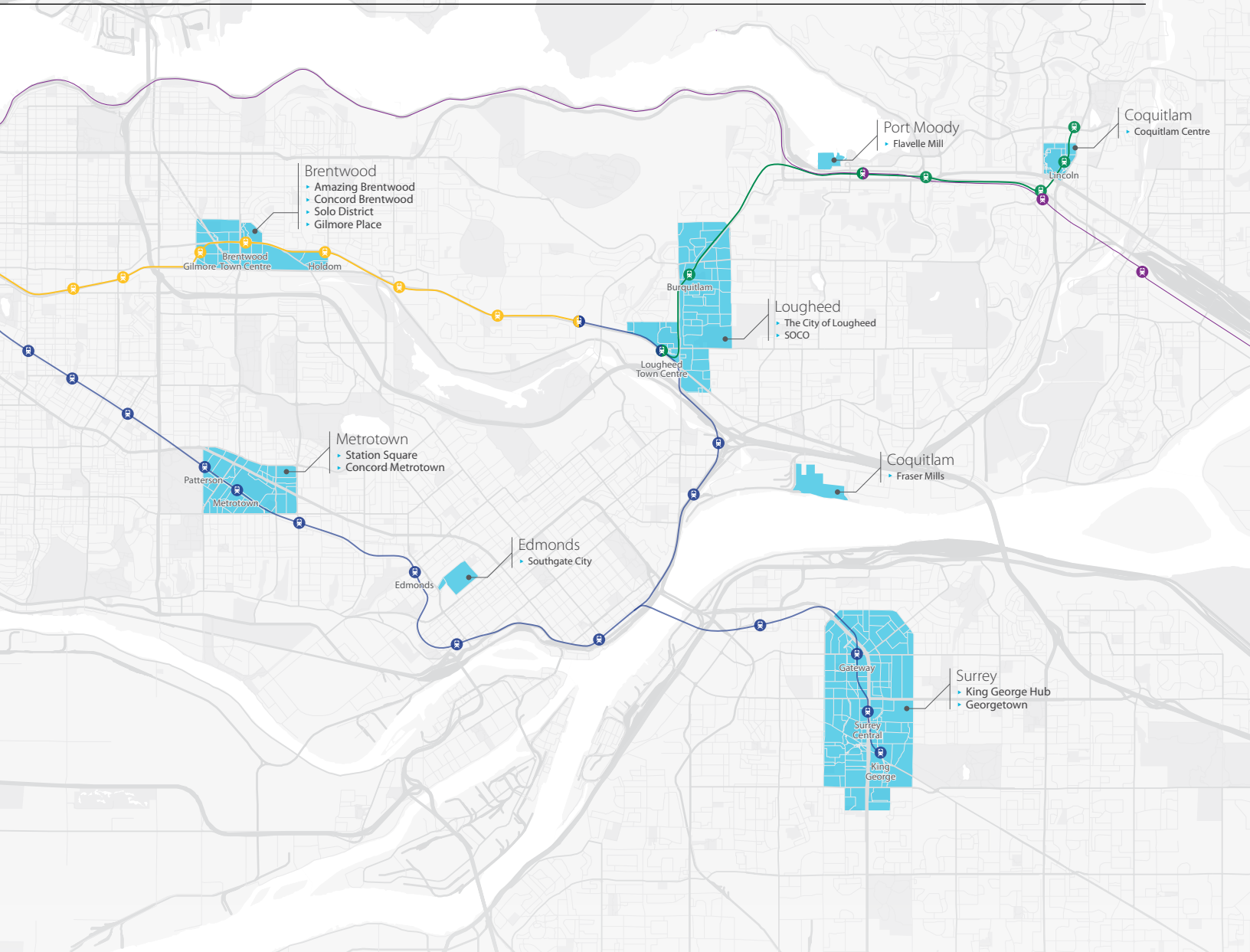


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The City of **Burnaby**

The City of Burnaby will be home to the most dramatic changes in Metro Vancouver over the next 10 years, as traditional auto-oriented town centres are redeveloped into mixed-use, transit-oriented urban enclaves.

This redevelopment, specifically at Brentwood Town Centre, Lougheed Town Centre and Metrotown, will act as a catalyst for development activity in the surrounding areas and vastly increase the population density around these new urban enclaves.

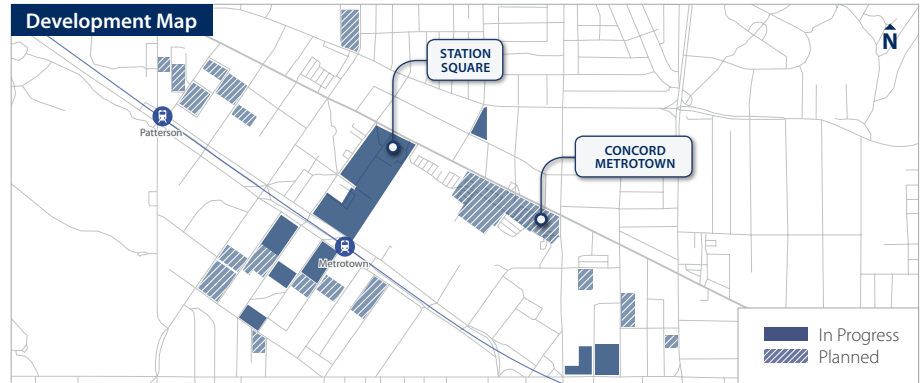


Metrotown

The Metrotown area benefits from excellent transit access with both the Patterson and Metrotown SkyTrain stations falling within its boundaries. Located in the southwest quadrant of Burnaby, the area is bounded by Boundary Road to the west, Imperial Street to the south, Royal Oak Avenue to the east, and Grange Street to the north. Unlike Brentwood and Lougheed, Metrotown is somewhat developed with some of the makings of an urban enclave already in place. The area will not see a master-planned community the size of Brentwood or Lougheed, but the adoption of the Metrotown Downtown Plan envisioning Metrotown as the true downtown for Burnaby in July 2017 sparked a frenzy of development activity in the area.

Anthem and Beedie Living are currently in phases three and four of their Station Square development, which will encompass five towers, 1,800 homes, 450,000 square feet (sf) of new retail and office, and three acres of green space upon completion in late 2021.

Concord Pacific is currently in the planning phase of its nine-acre redevelopment of the Metrotown Sears. The development will see seven towers in total with phase one including three towers and 1,310 homes.



The suburban area surrounding Metrotown will also see massive changes, with Belford Properties, Rize Alliance, Townline and Intracorp all pre-selling developments. The number of land sales and the price of land skyrocketed in the area during the lead-up to the approval of the Metrotown Downtown Plan, and the value and volume of those sales have increased even further since the plan was officially approved.

- **NEW HOMES**
7,500 units
- **NEW OFFICE SPACE**
70,000 sf
- **TRANSIT CONNECTIVITY**
Patterson
Metrotown

STATION SQUARE

5
Residential Towers

1,800
New Homes

450,000 sf
Office and Retail Space

CONCORD METROTOWN

7
Residential Towers

1,310
New Homes (Phase 1)



Brentwood

The neighbourhood of Brentwood is located on the west side of Burnaby, bound by Gilmore Avenue to the west, Holdom Avenue to the east, Hastings Street to the north, and Lougheed Highway to the south. The area benefits from proximity to transit with Millennium Line stops, Gilmore, Brentwood and Holdom, located within the neighbourhood. Brentwood has historically contained primarily single-family homes situated around Brentwood Town Centre with commercial and industrial uses to the south. The neighbourhood's proximity to Vancouver and access to transit make it a target for developers searching to add density.

The Amazing Brentwood, a development by Shape Properties in partnership with the Healthcare of Ontario Pension Plan (HOOPP), will set the tone for Burnaby development in the coming years. With a total of 11 residential towers containing 6,000 new homes, up to 1 million square feet (msf) of office space, 1.1 msf of retail, and 25,000 sf of amenity space planned for the 28-acre site, the project is one of the most significant developments currently under construction in Metro Vancouver. Phase one is set for completion in summer 2019, while phase two is slated to be completed in spring 2021.

Across the street from The Amazing Brentwood to the southwest, Appia Developments is currently in phase three of its six-acre Solo District development.



The third tower, upon completion in 2022, will add 280 homes to the 640 homes already constructed. The mixed-use development also includes 230,000 sf of office space and 80,000 sf of retail space.

Just southeast of The Amazing Brentwood, Concord Pacific has started construction on phase one of Concord Brentwood. The 26-acre master-planned community calls for 11 residential towers and a 13-acre urban park spread out over multiple phases. Phase one includes four towers containing roughly 1,790 homes, and phase two plans include three towers containing around 820 homes and 50,000 sf of commercial space.

On the west side of Brentwood, next to Gilmore SkyTrain Station, Onni is ready to break ground on Gilmore Place, a mixed use, transit-oriented community to be built

THE AMAZING BRENTWOOD

11
Residential Towers
6,000
New Homes
1 msf
Office Space
1.1 msf
Retail

SOLO DISTRICT

3
Residential Towers
920
New Homes
230,000 sf
Office Space
80,000 sf
Retail

CONCORD BRENTWOOD

11
Residential Towers
2,610
New Homes

GILMORE PLACE

3,500
New Homes
1 msf
Office Space
450,000 sf
Retail



The Amazing Brentwood



Gilmore Place



The Amazing Brentwood

out over four phases. The development could provide a total of 1 msf of office, 450,000 sf of retail and 3,500 residential homes. Phase one will contain around 270,000 sf of retail and 1,550 homes in three towers, including a 64-storey tower that will supplant the Shangri-La as the new tallest tower in Metro Vancouver.

The transformation of Brentwood and surrounding areas will continue as developers continue to purchase sites. South of Brentwood, the Aquilini Group, in partnership with the Musqueam and Tsleil-Waututh First Nations, has commenced planning for a 40-acre site at 3405 Willingdon Avenue. Aoyuan has also initiated the rezoning process on its 8-acre site, and Boffo Development has initiated the rezoning process on its 5.5-acre site near Holdom Station situated next door to Beedie Living's planned highrise.



Gilmore Place

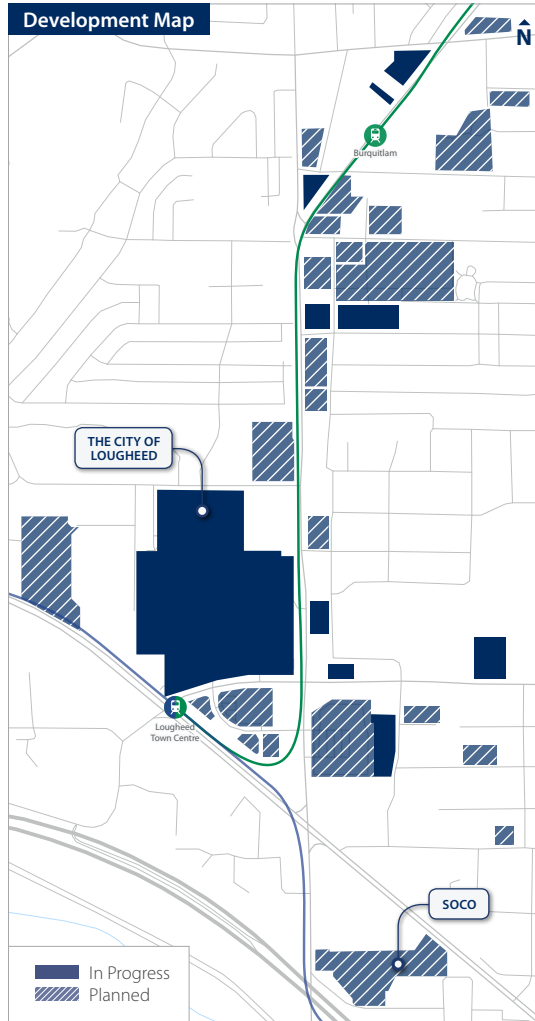
- **NEW HOMES**
14,000 units
- **NEW OFFICE SPACE**
1.3 msf
- **TRANSIT CONNECTIVITY**
Gilmore
Brentwood Town Centre
Holdom

Lougheed

Located on the Burnaby/Coquitlam border, the neighbourhood's livability and access to transit have made the Lougheed area an excellent candidate for redevelopment for quite some time. Similar to Brentwood, Shape's redevelopment of Lougheed Town Centre, in partnership with TD Greystone Asset Management, will act as a catalyst for development in the area.

The 615,000-sf Lougheed Town Centre currently sits on a 37-acre site, which will undergo a massive transformation over the next 30-plus years in the form of 20 towers, 10,000 homes, 1.3 msf of retail, 1 msf of office, and five-plus acres of park. Shape has already commenced updates to the existing property, and has begun construction on phase one of the project, which will include 1,570 homes delivered in 2023 and 119,000 sf of new retail projected to open in the second quarter of 2022.

Developers have been very active in the areas surrounding both sides of the Burnaby/Coquitlam border in the Lougheed and Burquitlam areas. Pinnacle recently purchased the site to the south across Lougheed Highway, and Starlight, Amacon, Ledingham McAllister, Onni, Concert, Townline, Anthem and Cressey are all in various stages of planning on projects near Lougheed Town Centre. Anthem's SOCO project alone will include five towers, approximately 1,390 homes and a podium office component.



The City of Lougheed

- **NEW HOMES**
20,000 units
- **NEW OFFICE SPACE**
1.2 msf
- **TRANSIT CONNECTIVITY**
Lougheed Town Centre
Burquitlam

THE CITY OF LOUGHEED

- 20**
Residential Towers
- 10,000**
New Homes
- 1.3 msf**
Retail Space
- 1 msf**
Office Space

SOCO

- 5**
Residential Towers
- 1,390**
New Homes



The City of Lougheed

Edmonds

The neighbourhood of Edmonds has been one of the quietest in Burnaby in terms of development activity in recent years with Cressey's Kings Crossing being the only recent major development. In the future, the area will undergo enormous change as Ledingham McAllister's Southgate City completely transforms the area.

Approved in 2015, the Southgate Neighbourhood Master Plan sets guidelines for the development of the 51-acre former Safeway distribution site over the next 15 to 20 years. The plan indicates up to 20 towers and a variety of low- to mid-rise buildings containing a total of 6,400 residential units will be built on the site. The master-planned development will also include 200,000 sf of commercial space, streetfront retail; a five-acre, city-owned park and a 20,000-sf community building.

Up the road, the City of Burnaby is looking to partner with a developer to build a mixture of affordable housing, market residential, office and amenity space on four lots at the corner of Kingsway and Edmonds Street.

SOUTHGATE CITY

20
Residential Towers

6,400
New Homes

200,000 sf
Office and Retail Space



Southgate City



Southgate City

An aerial photograph of a modern urban development. The scene is dominated by several tall, cylindrical skyscrapers with a light-colored, textured facade. These buildings are interspersed with lush green spaces, including parks, walkways, and landscaped courtyards. In the background, a more traditional residential neighborhood with smaller houses and trees is visible. The overall impression is one of a high-density, green, and modern urban environment.

The City of Vancouver

The City of Vancouver will see most of its development outside of the downtown core in the coming years with a majority of the activity coming in the form of transit-oriented development along the Canada Line and the Millennium Line extension along the Broadway corridor. Vancouver will also see one of the largest redevelopments of a former regional shopping centre into an urban enclave with the redevelopment of Oakridge Centre.

Oakridge

Large transit-oriented sites are becoming few and far between in the City of Vancouver with the most significant of these sites being Oakridge Centre, which will be the largest redevelopment in the city's history upon completion in 2025. The 29-acre site will include approximately 1 msf of retail, 430,000 sf of office space, a nine-acre public park, and a 70,000-sf civic centre. The development will also include roughly 2,600 homes within 10 towers and four mid-rise buildings. Just to the south of Oakridge Centre, Onni's Cambie Gardens could add up to 2,700 homes, 130,000 sf of retail space, 180,000 sf of health care space, 90,000 sf of amenity space and a 2.5-acre, city-owned park. Other large Vancouver projects in the planning stages include Concert Properties' and Peterson Group's Langara Gardens master-planned community, and Modern Green Canada's Oakridge Transit Centre site redevelopment.

- **NEW HOMES**
5,300 units
- **NEW OFFICE SPACE**
430,000 sf
- **TRANSIT CONNECTIVITY**
Oakridge-41st Avenue
Langara-49th Avenue



Oakridge The Living City



Oakridge The Living City

OAKRIDGE THE LIVING CITY

14
Residential Towers

2,600
New Homes

1 msf
Retail Space

430,000 sf
Office Space

CAMBIE GARDENS

2,700
New Homes

130,000 sf
Retail Space

Richmond

Richmond will see the majority of new development in the coming years situated around Richmond Centre, Lansdowne Centre and near Bridgeport Station. The 27-acre Richmond Centre site will be redeveloped into an urban enclave by 2026 with the construction of 2,000 homes in 12 mid-rise buildings, 420,000 sf of retail, 130,000 sf of rooftop gardens and 42,000 sf of indoor amenity spaces.

One stop away from Richmond Centre on the Canada Line lies another urban enclave under development with the redevelopment of Lansdowne Centre. The owner of Lansdowne Centre, Vanprop Investments, is currently in the planning stages for the 50-acre site. Early indications suggest up to 10 towers can be built on the site. Across the street, South Street Developments' Atmosphere project will include 670 residential units, 80,000 sf of office, 65,000 sf of tech hub space and 71,000 sf of retail when complete in 2022. Amenities will include a 40,000-sf private outdoor space, 18,000 sf of indoor amenities, and a 25,000-sf public courtyard.

RICHMOND CENTRE

12 Residential Towers

2,000 New Homes

420,000 sf Retail Space

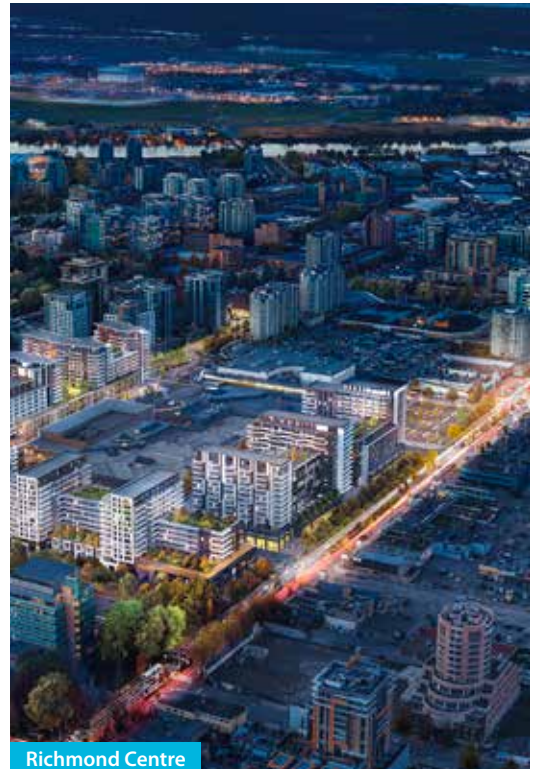
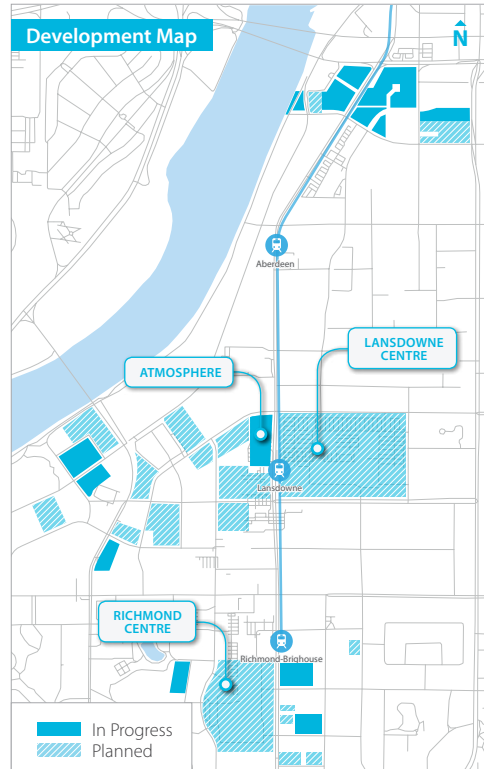
ATMOSPHERE

670 New Homes

80,000 sf Office Space

71,000 sf Retail Space

65,000 sf Tech Hub Space



- **NEW HOMES**
13,000 units
- **NEW OFFICE SPACE**
1.2 msf
- **TRANSIT CONNECTIVITY**
Aberdeen
Lansdowne
Richmond-Brighouse



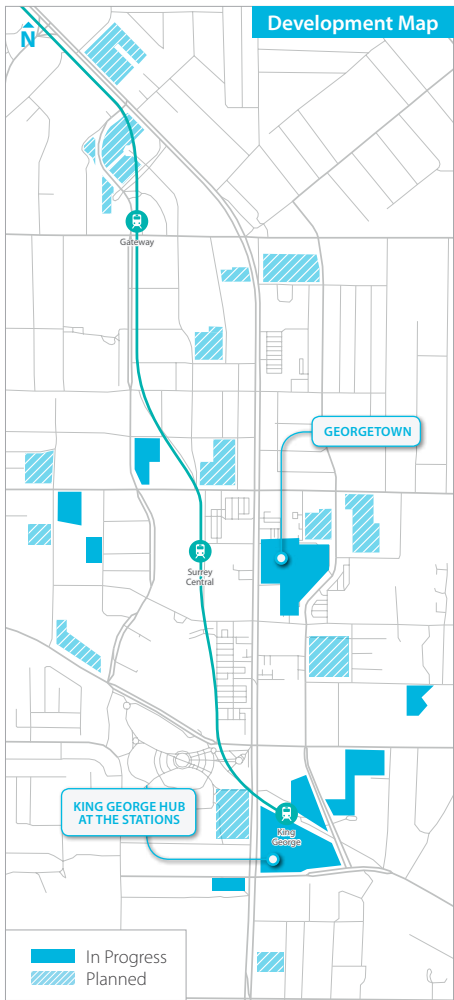
Surrey



King George Hub



King George Hub



Development Map

The largest development underway in Surrey City Centre is PCI Group's King George Hub at the Stations, a nine-acre development situated on a former parking lot directly adjacent to King George Station. The first phase of the project, featuring 160,000 sf of office and 25,000 sf of retail, was completed in 2015. Phase B of the project will include 160,000 sf of office and 100,000 sf of retail, along with close to 740 residential units when complete in 2021-22. Phase C will include about 370 residential units above 9,000 sf of retail.

Another master-planned community in Surrey City Centre is Anthem's Georgetown, which will include seven residential buildings above 180,000 sf of office and retail space with the first phase including roughly 350 residential units in a 30-storey tower and 15,000 sf of retail space. Other large projects still to come in Surrey City Centre that include 11,000 units and 700,000 sf of office are in various stages of planning.

Future development patterns in Surrey remain unclear with public consultation underway regarding the proposed Surrey Langley SkyTrain extension. The City of Surrey cancelled the Surrey-Newton-Guildford LRT line in favour of a SkyTrain extension. Whatever route the line takes, land-use planning around future transit stations will need to be reevaluated with density focused along transit.



KING GEORGE HUB AT THE STATIONS

- 1,100 New Homes
- 320,000 sf Office Space
- 134,000 sf Retail Space

GEORGETOWN

- 7 Residential Towers
- 11,000 New Homes
- 180,000 sf Office & Retail Space

- NEW HOMES** 15,000 units
- NEW OFFICE SPACE** 1.1 msf
- TRANSIT CONNECTIVITY** Gateway, Surrey Central, King George

Coquitlam

As previously noted, much of the development in Coquitlam will take place near the Burnaby/Coquitlam border in the Lougheed and Burquitlam areas. Coquitlam Centre saw heightened development activity leading up to the opening of the Evergreen Line, and will see even more as the shopping centre is transformed into an urban enclave through a multi-phased, master-planned development over the next 60 years. Southern Coquitlam, traditionally an industrial-oriented area, will also undergo a transformation into a mixed-use community with the addition of the Fraser Mills development.

Beedie Living’s Fraser Mills development has been in the planning stages since 2008 when a neighbourhood plan was adopted by the City of Coquitlam. Unlike many master-planned developments in Metro Vancouver, the site is not located directly on transit and does not feature an existing shopping centre. The most recent proposal for the roughly 94-acre site includes 15 towers, a maximum of 4,700 homes, 228,000 sf of commercial space, 547,000 sf of industrial space.

Coquitlam Centre saw a flurry of development activity between 2009 and 2016, with 12 towers containing 2,210 homes constructed during that time frame. With the addition of the Evergreen Line and the positioning of Lincoln Station, the door is open for more transit-oriented development not only on the Coquitlam Centre site itself, but in the neighbouring area. Morguard is beginning the planning process for the 60-acre site, envisioning a multi-phased, transit-oriented, master-planned community taking shape over the next 60-plus years. Phase one of the development will occur in a 16-acre area in the northeast corner of the site. The surrounding area includes developments in various stages of planning and construction by Onni, Polygon, Marcon, Uniment Homes and Ledingham McAllister.

Transit-oriented development has also been triggered in Port Moody by the opening of the Evergreen Line – the most high-profile project being the redevelopment of the Flavelle Mill site. An OCP amendment was approved by Port Moody in 2018, but there has not been any significant progress on the project since.



Coquitlam Centre

FRASER MILLS

15
Residential Towers

4,700
New Homes

228,000 sf
Office Space

547,000 sf
Industrial Space

COQUITLAM CENTRE

TBD
Residential Towers

TBD
New Homes





Coquitlam Centre



Coquitlam Centre

What does this mean for Metro Vancouver?

With more than 1 million people expected to move to Metro Vancouver by 2041, the pressing need for not only dwelling units, but the commercial and employment space to support that population growth, has resulted in the rise of so-called urban enclaves throughout Metro Vancouver.

The development of these urban enclaves, which typically include hundreds, if not thousands, of dwelling units as well as substantial amounts of retail and office space, started breaking ground in 2014-15 and have been largely limited (although not exclusively) to development sites located on the region's SkyTrain rapid-transit network. Construction is often phased and, in some cases, stretches for a decade or more. The reasons for this protracted activity are simple. Metro Vancouver is a highly constrained land market with land prices that have ranked among the most expensive in North America in recent years. Housing affordability issues have been and remain a top concern among many citizens. With land at a premium, traditional regional shopping centres – most having been built in the car-centric 1960s with expansive parking lots and later connected to regional public transit systems – were identified as unrealized sources of developable land. While traditional metrics of valuing shopping centres were based on traffic and sales per square foot, the value of the land – and its potential for redevelopment – rose to prominence in developers' estimation of its value, particularly in land-constrained markets such as Metro Vancouver.

Metro Vancouver and its constituent municipalities have encouraged developers to build along transit corridors and allowed higher densities at development sites that had long been established as commercial retail nodes such as regional malls. Public opposition was often limited and nowhere near as ferocious as the outcry against many in-fill developments located in or near primarily residential neighbourhoods. The economics of these developments, while substantial in scale and often decades in the making, has become better understood since 2013-14 and embraced by sophisticated private and institutional investors with substantial capital to deploy. While core markets such as Vancouver and Burnaby were often the first communities where developers/investors acquired malls with an eye to more than retailing, the pattern has spread across Metro Vancouver and BC.

These urban enclaves represent the beacons of density called for by city planners, progressive politicians and transit advocates alike. Property owners with holdings adjacent to or near the developments highlighted in this topical report can benefit from better understanding these massive projects that are redefining the urban fabric of the region. Understanding the scope and scale of the urban enclave phenomena allows developers and commercial real estate owners/investors to make decisions that ultimately help to improve regional liveability in this land-constrained market. These urban enclaves are a tangible manifestation of Metro Vancouver's regional growth strategy, *Metro Vancouver 2040: Shaping Our Future*, which was adopted in July 2011. These future communities serve as examples of a regional approach to planning that for decades was absent from the public discourse and now provides the blueprint for a future that can accommodate not only population growth, but economic and cultural development as well.

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All text written by Avison Young research in Vancouver.

All images provided by project developers.

Additional research and mapping support provided by NHS Online, Autoprop and Avison Young databases in Vancouver.

For more information, please contact:

Michael Keenan

Principal & Managing Director, Vancouver
604.647.5081
michael.keenan@avisonyoung.com

Andrew Petrozzi

Principal & Practice Leader, Research (BC)
604.646.8392
andrew.petrozzi@avisonyoung.com

Brendan Hannah

Research Coordinator, Investment, Vancouver
604.757.5130
brendan.hannah@avisonyoung.com

Avison Young
#2900-1055 W. Georgia Street
Box 11109 Royal Centre
Vancouver, BC V6E 3P3, Canada

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avisonyoung.com