

## HOT MARKET FUELS RISE OF TOWER

**Project part of Abbotsford's strategy to build up, rather than out. Evan Duggan explains.**

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QUANTUM PROPERTIES.



At 80 metres, Abbotsford-based Quantum Properties' new 26-storey mixed-use tower at Gladwin Road and Bevan Avenue will be tallest residential building between Surrey and Calgary.

Abbotsford is experiencing a surge in development in its residential, industrial and agricultural sectors and work is beginning on what developers say will be the tallest residential tower between Surrey and Calgary.

Abbotsford-based Quantum Properties is putting up the 26-storey mixed-use tower, named Mahogany at Mill Lake, at Gladwin Road and Bevan Avenue. The condo tower will also have 30,000 square feet of commercial space on the first three floors, including a medical clinic, pharmacy and restaurant, said Diane Delves, the firm's president and CEO.

"Our buyers are basically the down-sizers," she said in an interview last week. "The boomers who are cashing out of their valuable houses ... so they can free up some time to travel."

She said the tower will stand 80 metres tall, making it the tallest residential building between Surrey and Calgary. In Kelowna, the Landmark VI office tower stands 81 metres, and the Sky at Waterscapes residential tower reaches 78 metres, according to SkyscraperPage.com.

More people are coming to Abbotsford seeking lower land costs and business opportunities, she said. "Abbotsford is not a bedroom community," Delves said. "About 70 per cent of the people live and work here."

She said her company operates about 150 other residential units in the city. "We count our vacancies at like, one day a month," she said. "It's an incredibly tight market here."

The tower is expected to be completed in 2018. "We're starting to go up," she said. "The crane just arrived so we'll start pouring concrete imminently."

Abbotsford is experiencing significant increases in development projects as well as inquiries by developers, said Wendy Dupley, Abbotsford's director of economic development.

"Our numbers are showing significant increases," she said. "Really starting from fall of last year."

Construction value in Abbotsford in the first quarter of this year totalled \$52.8 million across all types — agricultural, commercial, industrial and residential. That's up \$12.4 million from the same period last year, according to the city's first-quarter development report.

The number of building permits

issued also increased, to 359 in the first quarter of this year from 302 across all types in the first quarter of 2015. The biggest gains came in industrial, single-family residential, multi-family residential and agricultural permits, while commercial permits retreated.

"General inquiries (from developers) are up 54 per cent over the same quarter of last year," Dupley said. "That's quite significant."

Projects like Quantum Properties' tower are part of the city's strategy to grow up, rather than out, she said.

"Historically Abbotsford has been a very sprawling city," she said. "We're intending to deal with a population of 200,000 (by 2035) by densifying within our current footprint, within the urban footprint."

She said young people priced out of Metro Vancouver's residential and commercial markets should consider Abbotsford.

"There's a tightness of land across the Lower Mainland and we've seen a lot of businesses that have been unable to expand in their current location looking at Abbotsford because of the availability and the affordability of the land here," she said.

Dupley said "it's a bit too early to tell," whether or not the province's new 15 per cent tax on for-

oreign buyers of Metro Vancouver residential properties is stoking the Abbotsford market. But some realtors are using the tax as a marketing tool, she said. "You're seeing some of that happening in the residential sector."

It's likely that Abbotsford is benefiting from migrants from Metro Vancouver, said Don Campbell, an analyst and founding member of the Real Estate Investment Network. "They're cashing out there, taking some chips off the table, and coming out here," he said.

He said Abbotsford is developing similarly to the way that Calgary grew up, with migrants arriving in the city who were already accustomed to the apartment or condo lifestyle.

There are 19 multi-family projects under construction in Abbotsford, six of which are mixed-use, for a total of 1,239 units, Campbell said. "That's a bit of a newer trend for the city of Abbotsford, and an indication of the type of migration coming in."

Abbotsford is a big city, geographically, he said. "They're trying to densify walkable centres to attract millennials. That's why we're seeing an increasing building boom of the mixed-use properties."

He said the strongest demand is for multi-family, followed by light industrial and agriculture.

"They are open for business," he said. "I think with the airport, the river and the highways and the borders, it's positioned to do incredibly well, and as long as this momentum continues, I think they'll be OK."

