

REAL ESTATE ROUNDUP

This Water is fast reaching full property market boil

Realtors hire placeholders to secure Millennium project units

Water on fire

Any doubts about the ongoing strength of the residential market in Vancouver were vanquished last week by the sight of several youth keeping watch at the presentation centre for Millennium Water on West 1st Street.

No, they weren't buyers. They were placeholders, hired by various local realtors to stand in line pending the release of units in the much-anticipated project on October 25.

Rennie Marketing Systems, which is managing sales for the project, has adopted various tactics in the past to avoid such dramatic expressions of buyer interest. Remember the registration bracelets for **Woodward's**?

But such tactics didn't work for the realtors last week.

While marketer **Bob Rennie** initially attempted to dismiss the queue when it first formed on October 20, the lineup simply moved about 100 feet back from the presentation centre's entrance.

Rennie called the vanguard "amazing," but having to ask the realtors to back off clearly didn't please either side.

Some of the realtors spoken to outside the presentation centre last week (none of whom wanted to be named) argued that the queue was necessary in a competitive market, especially when developers release a select number of units to VIPs pri-



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Drawing a line: realtors were making sure they were at the head of the line last week for the launch of the first phase of Millennium Water on Southeast False Creek. Sales opened to the public last Thursday

or to the public offering of units. (A party for consultants, family and

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friends last Tuesday at Millennium Water, for example, made 100 units available, two days before the public release on October 25.)

The realtors argued that first-come, first-served should be the order of the day, rather than special treatment for some, queues for the rest.

Regardless, with more than 4,300 registrants for the project, Rennie was expecting to sell about 80% of units by the end of last week. Millennium Group is developing 302 units in the project's first phase, selling for between \$450,000 and \$3.5 million. The project will ultimately have 733 units total.

Okanagan heat continues

Millennium Water isn't the only hot property on the market this month.

Word is the Indigo project on Lake Osoyoos set a one-day record for the southern Okanagan, with a \$70 million sales tally on October 21. Buyers bought 130 of the project's 171 units.

The outlooks for the year ahead are coming in, however, and they're predicting a moderation in the market.

The strong price gains of the past few years are likely to slow, according to a recent **Re/Max** report, which sees the average home price rising 7% in Greater Vancouver next year to reach \$600,000. This year, prices are on track to complete a 10% appreciation over 2006, half the post-ed gain a year earlier when prices jumped 19.8%.

The Re/Max forecast for price appreciation differs little from what **Credit Union Central of B.C.** chief economist **Helmut Pastrick** told **Urban Development Institute** members two weeks ago.

While the current run-up in prices is the biggest on record, Pastrick noted that the boom of the early 1980s was bigger and had more wide ranging consequences (those who were there know).

The current "sweet economic time" should continue for the foreseeable future, Pastrick said.

While some major challenges aren't foreseeable, Pastrick stated the case for an orderly moderation of the residential market as borrowing rates plateau and prices cease to rise at the torrid pace of recent years.

Addressing aboriginal title

The recent assertion of aboriginal interests in various federal office properties should be a signal for real



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estate investors and developers to be more proactive in determining what aboriginal interest, if any, exists in federal properties they're pursuing.

Recently, the federal government's sale of Sinclair Centre and 401 Burrard Street to **Larco Investments Ltd.** was challenged by the Musqueam, while **Canada Post** has invited the Musqueam and other First Nations to discuss its proposed sale of the mail sorting centre on West Georgia.

Small surprise, this, to **David Camp**, a partner with **Borden Ladner Gervais LLP** in Vancouver. Camp said court decisions have been refining an understanding of when real or potential aboriginal title to land must be considered.

Aboriginal interest in properties is something investors and developers should understand, Camp said last week, and particularly the Crown's obligation as vendor to consult First Nations in line with its constitutional requirements.

While industry doesn't have a constitutional obligation to consult, Camp said most companies want to have a role in the discussions.

Determining just what role business should play in consultations between the Crown and First Nations is a difficult decision, however.

Camp said experience has helped raise the resource sector's awareness of the issues at stake. ■
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