

FEATURE West Vancouver aims to expand tax base with commercial development

When real estate is “the only industry”

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Its tony neighbourhoods represent some of Canada's richest postal codes – the average detached house price is \$1.9 million – but West Vancouver has more than its share of challenges when it comes to keeping its head above water with property taxes.

In an interview prior to delivering a presentation to the local chamber of commerce, Mayor **Michael Smith** explained in detail why he keeps pushing for redevelopment of an aging retail district that looks much the same as it did 50 years ago.

“West Vancouver is unique in that we have no industry. We don't have any industrial land and we have a very limited business base, well less than 10 per cent of the property taxes. So we rely on residential taxes that are already the highest on average in Metro Vancouver.”

While Smith is a booster of business, it's not just business for business' sake. For him – and it's music to the ears of groups such as the chamber of commerce – mixed development and redevelopment of West Vancouver's commercial base are key to keeping taxes down.

“These days there are only so many avenues you can go down to keep the tax rate and tax base level for the community,” said **Jason Black, West Vancouver Chamber of Commerce** president. “Expanding the business for West Vancouver is smart business and an approach the West Vancouver

Chamber of Commerce fully supports.”

There was no tax hike in West Vancouver last year, and the district is aiming to hold it down to a manageable 2.92 per cent increase in 2014. But to consistently keep taxes contained over the longer term, Smith said, “we have to ensure our existing businesses are viable and strong and sustainable.”

The district has made some headway on that front. In December, council approved development plans from multinational real estate firm **Grosvenor** to develop 1300 Ambleside, a block-long area of land now occupied in part by the West Vancouver police headquarters. The 268,000-square-foot development consists of two buildings, six and seven storeys high, on land that now houses the local police headquarters, some restaurants and retail shops and vacant land.

It has faced considerable opposition over the last three years, however, from a suburb that is home to B.C.'s highest ratio of older residents: 25.5 per cent of its 44,000 residents are over 65. Nearby residents fearing a loss of view and other opponents who favour a quieter, slower pace fielded an 1,800-name petition against the development. But Smith said people fighting such projects fail to understand the facts of life for a community like West Vancouver.

“[They] don't realize the only industry we really have in West Van is real estate. The Grosvenor project is worth almost an entire year's property tax revenue for the citizens of West Vancouver plus \$1 million a year in new taxes. It has a huge impact.”

Smith said the Grosvenor project is also



Grosvenor International Canada is expected to revitalize a stretch of West Vancouver's Marine Drive with a 280,000-square-foot mixed-use complex.

going to “kick-start the revitalization of the six-block retail sector” along Marine Drive. “We need restaurants, some nightlife, we need new movie theatres. We need a community that is not just a bedroom community.”

North Van sees office surge

Unlike its North Shore western neighbour, North Vancouver is seeing rapid commercial development in a bright business environment that has seen the office vacancy rate fall to a three-year low as construction and jobs ramp up.

Last year, North Vancouver recorded its strongest office leasing since 2007, with more than 16,000 square feet taken up, twice the pace of 2012. Class A vacancies have fallen to 5 per cent, according to an **Avison Young** survey in the fourth quarter of 2013.

This quarter, **Wesgroup Properties** will complete the 60,000-square-foot **Blushore**

Financial headquarters on Lonsdale Avenue, which includes street-level retail.

Meanwhile, rezoning is complete for **Onni's** new mixed-use development at 1308 Lonsdale. Work could start this year on a project that will include 78,720 square feet of office space. Also, **Concert Properties** is finalizing its rezoning application and expected to go to public hearing in the first half of 2014 for its master-planned community at 801 Harbourside, which could start in fall 2015. Blueprints call for 210,000 square feet of office space when fully built out.

Even with the new construction, **Avison Young** is forecasting the office vacancy rate will fall further this year, to 8 per cent.

Fuelling North Vancouver commercial development is a giant federal shipbuilding contract, awarded to **Seaspan's** shipyards in North Vancouver two years ago. The \$8 billion program will create an estimated 4,000 jobs over the next seven years. ♦