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ANNUAL REPORT | 12

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JOE VARING

LAND IS THE NEW GOLD AND THE FRASER VALLEY HOLDS THE MOTHERLODE

\$500 MILLION IN SALES EACH MONTH | 10



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Land is “the new gold” – and Fraser Valley the motherlode

COVER | Industrial and residential demand leads a land rush into B.C.’s Fraser Valley

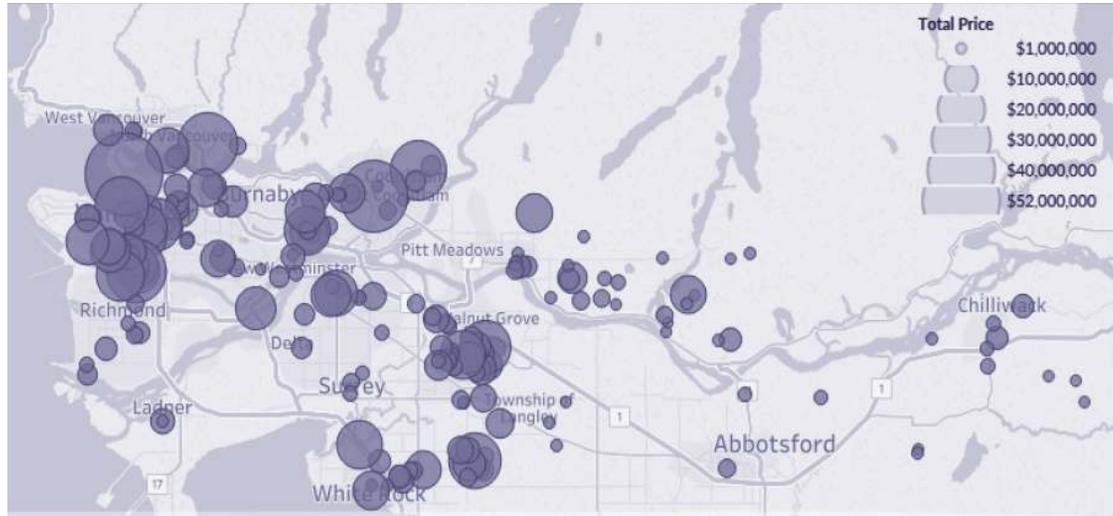
By **FRANK O'BRIEN**
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British Columbia's Fraser Valley is in the midst of a land rush that has driven prices up three-fold in the last two years and helped make land the dominant real estate investment in the Lower Mainland.

In the first quarter of this year, land accounted for 56.8 per cent of all the property transactions in the Lower Mainland, according to **Altus Group**, with sales of residential development land alone worth more than \$1.1 billion. Sales of non-residential land, primarily for industrial, tallied another \$530 million in the three-month period. But, as reflected in housing sales, sales of residential land in the Lower Mainland, while still strong, were down 46 per cent from the fourth quarter of 2017 and down 21 per cent from the white-hot pace in the first quarter of last year. Sales of non-residential land also cooled in the first three months of this year, dropping 15 per cent from the fourth quarter 2017 and 9 per cent below the first quarter of 2017.

Yet, with land sales averaging nearly \$500 million a month so far this year, any talk of a downturn appears misplaced, especially in the Fraser Valley.

“The Fraser Valley is the future,” said **Joe Varing**, director of sales for Abbotsford-based **Varing Marketing Group**, with **Homelife Glenayre Realty Company Ltd.**



Map tracks movement of recent residential land sales deep into the Fraser Valley. | ALTUS PROPERTIES

And, despite continual warnings of a land shortage, Varing maintains there are plenty of “greenfield” parcels in the Fraser Valley ready to build on.

“There is a bottomless supply of land,” he said.

Varing recently sold around 30 acres of bare land in Langley in the \$50 million range, among dozens of other land sales.

Varing estimates valley land prices have tripled since 2016. Because of these rising prices, some detached homeowners have found value in joining with adjacent neighbours in land assemblies. One example in the Yorkson area of Langley saw three housing lots assembled into a 3.6-acre parcel that sold for \$8.3 million.

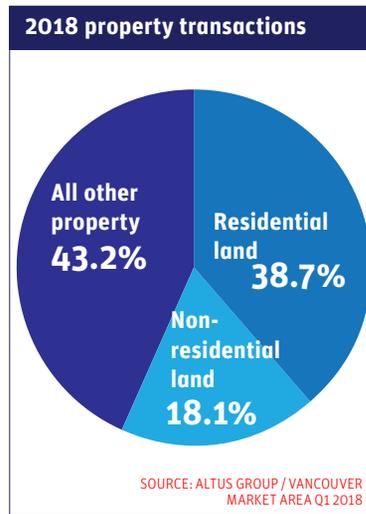
Varing often markets development sites to Vancouver area multi-family developers looking for opportunities from White



Joe Varing of Varing Marketing Group, which specializes in residential land sales: “The Fraser Valley is the future.”

| VARING MARKETING GROUP

Rock to Langley, Abbotsford and Chilliwack. The planned extension of light rapid transit, he said, has boosted demand for land assemblies from central Surrey to Langley. Developers



are land banking, he said, and looking forward three to seven years for new multi-unit residential projects.

“Land is the new gold,” Varing said.

Industrial speculation

While Varing concentrates on residential development parcels, demand for Fraser Valley industrial land is also ramping up, according to **Avison Young**.

More than 1.9 million square feet of speculative industrial construction is set for delivery in the Fraser Valley over the next 12 months, Avison Young confirms – and the speculators are willing to pay big money to get into the market.

This March an investor, a B.C. numbered company, paid \$2.4 million per acre for a parcel on 66 Avenue in Surrey, and **Zenith Development Ltd.** paid \$2.7 million an acre for 2.5-acre site on 88 Avenue in Surrey in the same month. Abbotsford prices are also catching fire, with industrial land prices topping \$1.1 million per acre this year in five recent deals.

Industrial vacancy rates are at near-record lows of 1 per cent in Surrey, 1.5 per cent in Langley and 1.8 per cent in Abbotsford, which are among the lowest in the Lower Mainland, according to **CBRE**.

“We are at a critical stage and we need to find industrial areas for these companies,” CBRE vice-president of industrial **Chris MacCauley** said. “It used to be that when companies couldn’t find space in Vancouver, they moved to the Fraser Valley. But now the valley doesn’t have much inventory left either. There’s a threat we’re going to see companies relocating out of province or it will limit their growth potential.” ■

CBRE NATIONAL APARTMENT GROUP | BRITISH COLUMBIA - A RELIABLE SOURCE ON THE BC APARTMENT MARKET

MIDDLE GATE APARTMENTS - 6960 SALISBURY AVENUE & 6961 HALL AVENUE, BURNABY



Opportunity to purchase the Middle Gate Apartments, a 2 building, 70-unit apartment complex comprised primarily of large three-bedroom suites, and prominently positioned on a combined 1.74 acre full city block with potential for upzoning in the future. The subject properties are centrally located in Burnaby's vibrant Highgate Neighbourhood and is just a 5 minute walk to the grocery-anchored High Gate Village, providing an excellent mix of tenant friendly amenities; Edmonds SkyTrain station is within a 15 minute walk of the properties.

**PRICE: UNPRICED
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515 & 523 WHITING WAY, COQUITLAM



Attention Developers!

Strata Wind-Up/Development Opportunity! Sizable 1.85 acre (80,641 SF) site, zoned for **High Density** near shopping, SkyTrain and amenities. The subject property is setback and elevated from the street providing a quiet/secluded oasis with the City center. The land use for the property allows for a high-rise condo tower with the potential for an additional separate rental building up to 6 storeys. The property is currently improved with 2 separate buildings and consists of 60 stratified condo units.

**PRICE: BID PROCESS
PLEASE CONTACT LANCE**

8860 MONTCALM STREET, VANCOUVER



Contemporary 3-storey apartment building with 24 rental suites including a private 2-bedroom top floor penthouse. Convenient location within the growing Marpole Neighbourhood on Vancouver's west-side, mere steps from the South Granville Retail Commercial Corridor, major bus routes, and Marine Drive Station.

LIST PRICE: \$9,240,000

1177 ESQUIMALT ROAD, VICTORIA



Fully leased 11-suite apartment building located in an emerging neighbourhood with compressed vacancy and rising rents, minutes from Downtown Victoria, located on direct transit and adjacent to a host of tenant friendly amenities. Attractive initial 4.5% Cap Rate, upside and redevelopment potential.

LIST PRICE: \$2,110,000

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**HOW CAN WE BE
OF ASSISTANCE?
LET'S TALK.**

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