



state

OF THE INDUSTRY



JIM BOSA

□ Jim Bosa's Appia Group of Companies started in 1991 and is behind many successful projects – among them, the Whistler Cascade Lodge, Whistler Town Plaza and Stoney Creek in Whistler, Madison Centre in Burnaby, and Sentinel, Bentley and Crescendo at Newport Village in Port Moody. Bosa has been through enough cycles of the residential market to confidently predict that the local market is in good shape and that prices should stabilize – which is good news for buyers.

Jim Bosa, president and chief executive officer of Burnaby-based Appia Group of Companies, does not see the market slowing down significantly any time soon. "Before the current boom, there was a bit of a slow period and a lot of projects were put on hold," he says. "As a result, I think there is still a backlog of buyers out there. There also continues to be a lot of people moving to the Lower Mainland and the economy remains strong, so I think the market is still in pretty good shape."

That being said, Bosa does not predict huge increases that have become the norm in the market in the past few years. "Buying real estate in the Lower Mainland is still a good investment, but you are not going to see the 20-to-30 per cent increases that have occurred in the past few years, which is probably a good thing, because it means housing costs will stay within reach for many people."

Like many others in the business community, Bosa was nervous about our country's ability to withstand the effects of the subprime mortgage debacle in the U.S. and resulting slump in residential real estate, particularly when the stock markets – including the Toronto Stock Exchange – were affected recently. "Like many other Canadians, I was worried," he admits. "It wasn't looking good but then the U.S. moved to reduce interest rates, and Canada is now reevaluating our current interest rates, and this has helped stabilize the

situation, so I don't think that we are going to have a problem here."

Bosa, like others in his industry, grapples with the challenges of finding available land at a reasonable price, dealing with labour shortages and escalating construction costs, and somewhat lengthy government approval processes. He'd like to see local governments reducing development fees and perhaps making more land available but is skeptical about whether these governments should intervene or provide incentives to help developers to produce lower-cost market housing. "You may be able to initially offer a lower-cost product to buyers as a result but too often, these purchasers will come in, buy multiple units and then flip them at market prices. This scenario obviously defeats the whole purpose."

He pinpoints Port Moody, Richmond and the Tri-Cities as local hot spots worthy of a closer look, as well as Burnaby, where Appia recently launched its latest project – Motif at Citi, a highrise mixed use development at Rosser Avenue and Lougheed Highway. Bosa is also encouraged by the increase in the number of end-users (versus investors) who are starting to dominate these and other Lower Mainland markets. "I think this is a good thing for stability reasons and will make for a stronger, healthier market in the long term." □