

FEATURE Developers find that blending even industrial with residential can prove a winning formula

Mix to the max

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A decade ago, **Westbank Projects Corp.** built **Shaw Tower** on the Vancouver waterfront, a structure designed by architect **James Cheng**, whose design reflected the mix of office and residential space.

The 42-storey tower, completed in 2005, boasted 16 stories of office and 24 stories of condominiums split between live-work units and private residences above.

But what was innovative a decade ago has given way to more intensive uses today.

Westbank's latest project, **Telus Garden**, is being designed by **Henriquez Partners Architects** to incorporate a 22-storey office tower, 420 condos, retail space and a restaurant.

Henriquez orchestrated the massive redevelopment of **Woodward's**, which incorporated a number of traditionally competing uses in a single project: social housing as well as market condos; retail and office space, as well as a campus for **SFU's** School for the Contemporary Arts; community space and the preservation of heritage elements in accordance with the site's landmark nature.

The project has been hailed as a success — but firm principal and lead architect **Gregory Henriquez** said the velocity with which mixed-use projects are coming out of the ground are demanding ever-more-sophisticated solutions.

"We are tackling more-complex projects every year," Henriquez said.

The impetus to mix uses isn't unique to **Telus Garden**, which will not only be home to **Telus**' head office but a blend of technological sophistication and environment-friendly building features.

How projects got so complex is another matter.

While strong appetite exists for elegant mixes of uses that make the most of sites, even developers such as **Daryl Simpson**, senior vice-president at **Bosa Properties Inc.**, paused for a moment when considering where mixed-use projects have come from.

The standard starting point is the **Capers** building at 2211 West Fourth Avenue, completed in 1993. It was innovative for the time, blending ground-level retail with offices on the second floor and 78 units of residential above. Geothermal heating was also part of the mix, in a heavily used transit corridor.

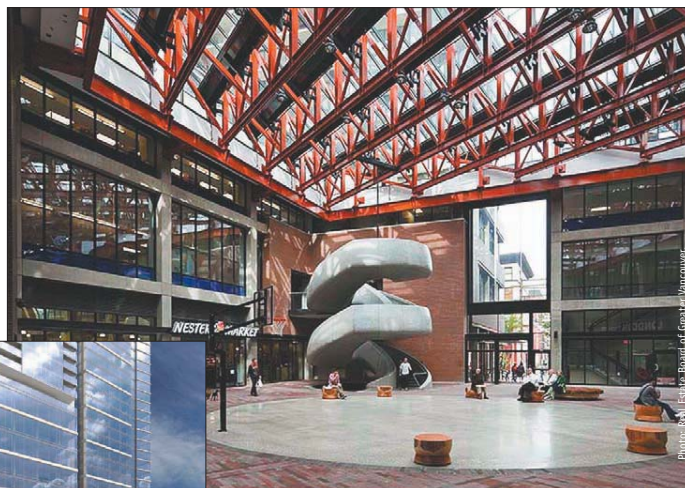
Today, Simpson said a similar model is being applied to highrise projects.

"You look at a project like **Jameson House**," he said, referring to his own company's 38-storey tower at 838 West Hastings Street. "It's got retail, it's got office, it's got residential and it's got heritage reclamation."

Heady mix

Simpson throws in the heritage reclamation as a fourth use, or mandate, the building was expected to fulfil. But even in **Burnaby**, a suburban environment outside the region's primary urban core, **Bosa's** 43-storey **Sovereign** tower offers four kinds of uses: ground-floor retail, second-floor commercial, 169 hotel suites and 202 residential condos.

"Cities are wanting to see this," Simpson explained. "They want to activate their sidewalks, so retail is almost a given. They also want to have more employment-generating use, so they often want a second, or second and third floor, that have 50 or 60 or 70 employees that can further enliven the neighbourhood."



TOP: Woodward's SFU campus, retail, offices, social housing and condos blend together in Downtown Eastside.
LEFT: Century Group has started a large hotel-condominium-retail mixed-use project in central Surrey.

Simpson's argument underpinned the Woodward's project, which was designed to revitalize the surrounding area after a long decline accelerated by the closure of the Woodward's department store in 1993.

But it also lies behind the push for densification along the **Lonsdale** corridor in North Vancouver, where the city has welcomed projects by **Wesgroup** and others.

North Vancouver's aim to make **Lonsdale Avenue** a hub, not just a transportation corridor, has allowed **Wesgroup** to proceed with an 84-unit project at **Lonsdale** and **13th Street** that includes 60,000 square feet of space for **North Shore Credit Union's** head offices and a retail banking location.

Onni is also seeking to develop 80,000 square feet of office space at the same intersection as part of a two-tower development including more than 360 residential units and a grocery store.

But if such projects have traditionally been driven by municipal priorities, developers and investors are also starting to see the advantages.

Relatively high land prices in the Lower Mainland are a prime argument for extracting more value from each site. However, Simpson added that the financial crisis of 2008 has led developers to seek opportunities to blend commercial and residential financing.

Similarly, investors find the mix of uses appealing because commercial space often provides either job opportunities or consumer amenities. Some projects may also feature community amenities as a result of contributions negotiated during the application processes.

"Buyers are not wary of buying in a building that has a multiplicity of uses," Simpson said. "It gives them a greater opportunity to rent their suite out."

Please see *Vertical* page A10

VERTICAL from A9

Commercial developers are also wise to the opportunities.

Oxford Properties Group's new office tower at 1021 West Hastings Street will be integrated with the adjacent Marine building, a heritage property. The two buildings will share facilities, making better use of existing resources.

"We're able to reposition the Marine building with this development because it's actually going to tie into the back lobby of the new tower," explained **Chuck We**, director of leasing for Oxford, to commercial realtors at a recent **NAIOP** meeting.

"Marine-building tenants will now be able to get direct access into the parking. ... We're [also] able to now develop about 25,000 square feet of retail, which wouldn't have served the [Marine] building on its own, but now that it's part of the complex we're able to do something with it."

New Westminster planners saw a similar opportunity with Merchant Square, a 130,000-square-foot office project **Uptown Property Group Inc.** is set to complete by 2013. Its parking area will be shared in off-hours with patrons of the adjacent 90,000-square-foot civic centre that will host a public library, museum, theatre and convention space.

Stirring the mix

Some developers are pushing the mix even further, combining industrial and residential. That is the scenario for **Amacon's** New Haven

Business Park in south Burnaby. The 52-acre project includes 500,000 square feet of industrial and 96 townhomes. The first-ever marriage of warehouses and homes appears to have worked: the first phase of industrial space has been fully leased and all the homes have sold.

The latest mixed-use development in the Fraser Valley was launched in early June, as **Century Group** began Surrey's first hotel and residential project in Surrey City Centre.

Morgan Crossing, one of the largest retail-residential projects in the region, is already a success with 444 condominiums and 430,000 square feet of retail, according to developer **Larco Investments Ltd.**

Given the growing range of demands planners are placing on projects, from affordable housing to low-impact construction and transit access, both Henriquez and Simpson see the mixed-use trend continuing.

"The rezoning process forces society to look at what their values are, and sometimes the political forces and the economic forces and the social forces all weigh in to create something quite complex," Henriquez said.

Metro Vancouver developers and consultants have become more adept at meeting the various forces at play.

"What we're doing is creating vertical villages as opposed to the village of 10, 15, 20 years ago, where there were three or four stand-alone buildings with separate uses," Simpson said. "We've now stacked them on top of each other and we've created the same thing, on a smaller footprint." ♦