

The Next URBAN HOT SPOT

You know where they are... at least, you do now. They're the neighbourhoods that used to be discussed with a mild disdain — as if nobody could consider a home there. Perhaps they suffer from an unsavoury past; perhaps they're so far off the beaten path, nobody knows where they are. Then suddenly those areas are hot, hot, hot. Well-known examples include Chinatown, Main Street, Burke Mountain, Surrey and, of course, Yaletown — once a shabby industrial area, now home to some of the priciest real estate in Vancouver. If you've got foresight and patience, emerging areas can offer a golden opportunity to tap into great value now and often amazing returns in the future. But how to predict the next hot spot? It's the job of developers to work this out — and copying their forecasting methods can provide savvy buyers with a few clues.

FILLING THE VOIDS

Manuela Mirecki, Ledingham McAllister's senior vice-president of marketing and design, stresses that while there's no magic formula, she usually zeros in on what's missing in a neighbourhood.

"Fraser Street, for example, had all the bones of a cool neighbourhood, but it was lacking a major grocery store. Century Group introduced that needed retail and added a new mix of housing types."

For consumers, the timing was close to ideal. The Westside's escalating prices were creating a ripple effect,

moving eastward past Main Street and starting to nudge Fraser's cost price per square foot up — but not very hard.

THE GEOMETRY OF EXPANSION

"We are fortunate to live in a part of the country that continues to experience significant population growth," says Geoff Duyker of MOSAIC Homes.

"However, then the question becomes where will the required new housing go?" The answer is either "up" through higher density or "out" to the 'burbs.

In terms of the former, MOSAIC is among the first to bring luxury condos to Vancouver's Cambie Corridor with its two new projects, Elizabeth and the recently launched Cambria. The neighbourhood is known for prestigious but land-inefficient single-family homes, which MOSAIC is hoping to address.

Growing outward, according to Duyker, means identifying areas just beyond where people have historically migrated. That's why he believes Willoughby, Clayton and Burke Mountain — a neighbourhood he describes as the next Westwood

Plateau — are successful.

He's also keeping a close watch on Tsawwassen. "Development in Tsawwassen has been stagnant for years, but with a destination mall under construction, it's going to change rapidly."

MASTERMINDS AT WORK

Insiders remain virtually unanimous that masterplanned communities, especially on or near transit, are the most reliable growth areas.

"As the community develops and more amenities arrive, early buyers reap the benefits of rising property values,"

says Nic Jensen, vice-president of sales with Onni. He cites the success of Victoria Hill (New Westminster) and Suter Brook Village (Port Moody) as two examples.

GET FUNKY

Condo marketer Bob Rennie is frequently quoted as saying "if you want to know where the next hot spot will be, keep your eye on the artists and prostitutes."

While it may be a less-than-scientific evaluation, there's no question many emerging neighbourhoods enjoy an undeniable edginess or funk factor. Often they're centres of creativity and off-the-grid thinking with a lively cultural base of hip new bars, popup art galleries and so on.

So if you're looking for the next hot spot, just keep an eye out for what's cool...

