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Real estate round-up **Peter Mitl**

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ABOUT US**Strata owners upset**

Owners of units in the **Vancouver Airport Hilton** hotel have signalled that the hard time aren't yet over for local strata-titled hotels.

Built by West Vancouver-based **Larco Enterprises Ltd.**, which also developed the neighbouring **Vancouver Airport Marriott** hotel, the 237-room Hilton sold primarily to local investors in March and April 1998.

A writ filed February 4 in **B.C. Supreme Court** by **Stephen Schachter** and **Geoffrey Gomery** of the Vancouver law firm **Nathanson, Schachter & Thompson** boasts an alphabetical list of 211 plaintiffs headed by **374076 B.C. Ltd.** The writ claims **Vancouver Airport Centre Ltd.**, hotel manager **Larco Hospitality Management Inc.** and **HVS International-Canada** breached their fiduciary duty towards owners in connection with sale of units in the hotel.

The plaintiffs seek, among other things, cancellation of their purchase contracts and an order granting them compensation "for financial benefits obtained by [Vancouver Airport Centre] and Larco relating to their management of the hotel." Both Larco and HVS managing director **Betsy MacDonald** refused comment.

In an April 1998 story, *BIV* noted that hotel industry analysts were less than optimistic about the appeal of recent hotel strata projects, citing **Royal LePage Commercial Inc.**' 1997 *Hotel Market Update* in which investment consultant **Angus Wilkinson** said that the units "have little continued attraction for investors."

Wilkinson, now of **Tyne Hospitality Services Ltd.**, was equally dour last week.

"I don't think there's any strata hotel investors in Richmond or downtown Vancouver who are making any reasonable return on the money that they paid, at all. And this has been different for the past five years," he said.

Other strata-titled hotels that have faced lower returns, and in some cases a backlash from investors, include **Le Soleil** and the **Westin Grand** in downtown Vancouver.

Tables turn in Shaughnessy

Sales have picked up at **Lorne Segal's** monumental 18-unit Kingswood Shaughnessy project at West 13th Avenue and Fir Street.

Reversing the stats *BIV* reported last September, when five units had sold, **Bob Rennie Rennie Marketing Systems** expected to close on the 14th sale last week. That would leave four units unsold in the landmark development.

Construction of the Kingswood wrapped up in spring 2002 after six years of painstaking labour. While murmurs abounded that no one would pay the million-dollar-plus prices of the Kingswood units without a shoreline out front, Rennie said the tide has turned.

In fact, of nine \$1 million-plus sales in Vancouver this year to February 12, four were at Kingswood. Of these, one was of the development's ninth-floor suite, which sold for \$3.1 million.

Canadian suburbs spread to China

A recent **Canada Mortgage and Housing Corp.** report notes that Vancouver's **Ekistic: Town Planning Inc.** is helping develop a Canadian-style suburb on the outskirts of Beijing for Chinese property developer **Beijing Capital**.

The 183-acre **Vancouver Forest** project features pre-fabricated wood-frame houses. CMHC's interest in the project is an agreement with Beijing Capital to develop so-called sustainable communities.

CMHC has signed a similar agreement with **China Enterprises** of Shanghai, which develops 10.8 million square feet of housing a year.

CMHC also notes that China's new wood-frame building codes developed under memoranda of understanding between CMHC and the Chinese **Ministry of Construction** are in the final stage of adoption.

"The new Chinese codes under national standards have been designed to accommodate North American wood-frame structures. These codes will make it easier for developers to obtain the necessary permits to build wood-frame homes and have these homes inspected once complete," CMHC said.

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