

now business

"The main reason behind this year's slow-down is the rise in mortgage rates."

William P.J. McCarthy
ON THE MARKET

City avoids worst of slumping sale prices

With half the year over, it is likely that 1995 real estate market activity and sales prices will not meet the level achieved last year. Simply stated, 1993 and 1994 were extraordinary years, with 30-year low mortgage rates driving most sales and purchases.

William P.J. McCarthy



With the exception of the past two years, the 1995 market conditions and mortgage conditions are preferable to anytime in the previous quarter century. Despite this, the median sale price (half the houses sold above this price, half below) of detached homes in the region

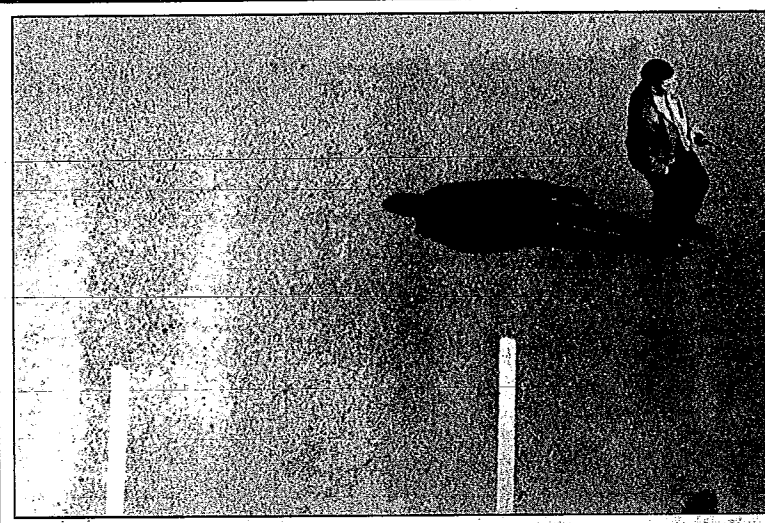
have fallen an average four per cent, with housing starts and sales down a staggering 30 per cent.

The main reason behind this year's slow-down is the rise in mortgage rates, over-supply in new home and condominium construction, and fewer Asians purchasing properties.

Unfortunately, property foreclosures are up significantly. It appears most of those who faced this difficulty were premature first time buyers who took advantage of five per cent down payment plans, and gambled with short term lower interest mortgage rates, as opposed to locking in a very good longer term rate.

As for the housing market in Burnaby, our community's location, quality of life and neighbourhoods have seen our median sale prices drop only two per cent, or half of the regional average. The following chart contrasts the median sale prices of Lower Mainland communities.

	July/95	July/94	+/-%
Burnaby			
	\$370,000	\$378,000	-2.1
Coquitlam			
	\$281,000	\$290,000	-3.1
Langley			
	\$215,000	\$234,000	-8.1
Maple Ridge/Plit Meadows			
	\$208,000	\$226,000	-8.0
New Westminster			
	\$257,000	\$275,000	-6.6
North Delta			
	\$234,500	\$250,000	-6.2
Port Coquitlam			
	\$238,000	\$239,000	-0.4
Surrey			
	\$225,000	\$234,000	-3.8
Vancouver, eastside			
	\$300,000	\$320,000	-6.2
Vancouver, westside			
	\$640,000	\$625,000	+2.4
W. Vancouver/Howe Sound			
	\$568,000	\$532,500	+6.8
White Rock/Surrey			
	\$298,000	\$320,000	-6.8



Where's my car?

This lone man strolling through a Burnaby parking lot was spotted from 19 storeys up in the air.

NOW PHOTO BY CRAIG SLEIK

Malls elated with LRT plans

Wholehearted support given to LRT line from Chamber, Lougheed and Brentwood

By Scott Nellson
BURNABY NOW REPORTER

Business along the Lougheed Highway stands to gain substantially through the construction of light rail transit, mayor Bill Copeland said Thursday.

With the line built down the entire stretch of the Lougheed, the city now has the opportunity to rezone much of the industrial area on each side of the highway to residential, too, Copeland said.

"The LRT will be good for business at both malls (Lougheed and Brentwood) and all other businesses along there," Copeland said. "It will bring in people from Vancouver and Coquitlam, it'll link two major universities (UBC and SFU)... it's all pluses for us."

"I just hope they find the resources to keep everything on schedule."

Local business was also elated by Premier Mike Harcourt's announcement the line will be complete by the year 2005.

"Our instant reaction is that we're extremely excited," said Burnaby Chamber of Commerce manager Abby Anderson. "I'd like to see a gazillion dollars buried in the ground, though, to show me it's going to happen and happen instantly — once it's there it shows a strong commitment."

Anderson added the route should open

up the entire Lougheed strip both economically and residentially. "There's an opportunity particularly for our two malls along there to flourish," she said. "It will also bring to the area people we haven't had here before."

Having a healthy community is also just as important as an economic boom, she added. "There's some very forward thinking that's gone into this," Anderson explained. "I think the government deserves a lot of credit here."

Lorelee Clarke, manager of Lougheed

Mall, said she's thrilled about the prospect of having the LRT run right up to the mall's doorstep. "We haven't yet analyzed the full impact of having the line here but we recognize that wherever the LRT concept goes there are usually some sales rewards as well as other land site opportunities."

Paul Klidumae, manger of Brentwood Mall, sees one spot every day where LRT would benefit. "I look out my window here and see the corner of Lougheed and Willingdon as being one of the most congested intersections in the city and I'm sure the LRT would go a long way toward alleviating that."

With the city in the early stages of developing the Brentwood Town Centre plan, Klidumae believes there will be

more office towers and residential development in the area.

"That'll benefit us, because of the increased market size and access to it," he said. "We've analyzed this a great deal and there's really no downside to it from our perspective."

Anderson agreed. "At first blush, no, there's really no downside. At this point we don't want to take a pessimistic approach and try to find mistakes — this is long overdue and we should celebrate that."

"There's some very forward thinking that's gone into this. I think the government deserves a lot of credit here."

Abby Anderson
BURNABY CHAMBER OF COMMERCE

"If we do find some glaring problem surely there'll be enough flexibility along the way that it can be fixed."

Klidumae said Brentwood Mall was originally concerned about an increase in crime similar to that

in the Metrotown area, but added that issue was laid to rest after discussions with transit officials.

"Our security here is pretty good," he said. "I think it could handle anything that did come up."

"That's progress," Anderson said of the possibility 'undesirables' have easier access to areas thanks to rapid transit. "I really don't think it's damaged Metrotown that badly."

"Are we going to stop progress for fear of attracting riff-raff? I don't think so."

City has three Entrepreneur finalists

Burnaby business people will be well represented at the Pacific Region Entrepreneur of the Year Award ceremonies later this month at the Vancouver Trade and Convention Centre.

Finalists from the city include Gregory Assen of PMC Sierra Inc. In the emerging entrepreneur category, Harold, Gary and Howard Lenett of Pimlico Apparel as manufacturing entrepreneurs, and William Duncan of Mohawk Oil in the turnaround entrepreneur category.

Winners will be inducted into the Entrepreneur of the Year Institute at an international conference in Palm Springs, California this November.

Assen is a second-time nominee and is cited for helping to lead PMC Sierra into a period of spectacular growth in reve-

nues and profitability as an international supplier of high-value components for ATM transmission and networking applications.

The Lenett family was nominated for turning their once-small clothing company into a supplier of fine denim products for such internationally recognized firms as Levi Strauss & Company and The Gap.

Duncan is nominated for using his successful motivation skills to lead Mohawk Oil through a series of significant changes since 1991.

Last year, Burnaby business man Ray Loewen of the Loewen Group was named Master Entrepreneur of the Year, the most prestigious category at the ceremony.