

REAL ESTATE

B.C. developer sets sights on Downtown Eastside

The purchase of a half-block of properties in Canada's poorest urban area could lead to further strain on the city's homeless, critics say

MONTE PAULSEN

July 30, 2007

VANCOUVER -- Vancouver's largest developer has quietly assembled a half-block-long chunk of real estate in the heart of the Downtown Eastside.

The Concord Pacific Group's acquisition of a pivotal property at the heart of Canada's poorest urban postal code is a dramatic illustration of the potential gentrification of Vancouver's most rough-and-tumble neighbourhood.

Concord Pacific has purchased seven lots at the heart of the West Hastings Street block between Abbott and Carrall streets.

"Right now all we've done is assembled some properties," said Peter Webb, a vice-president at Concord Pacific, which is developing a forest of condo towers on the former Expo 86 lands along False Creek, as well as the 44-acre CityPlace development in downtown Toronto.

"We are still in the infancy of early design and development," Mr. Webb said. "We are interested in having a discussion with the city about the opportunity to create non-market or subsidized housing, as part of a commercial and residential development."

David Eby, a lawyer and housing activist at Pivot Legal Society, warned that unless Concord's plans include a substantial volume of low-income housing, its Hastings Street project could wind up compounding Vancouver's homeless crisis.

"Concord Pacific has an opportunity here to show they care about people and not just profits," Mr. Eby said.

The Concord Pacific purchase comes during a period of intense trading of Downtown Eastside real estate. At least 292 properties changed hands there between March, 2005, and March, 2007, according to a compilation of city records. Across Hastings Street from the new Concord parcel is a corner lot owned by another major developer, the Holborn Group. One block west is the Woodward's redevelopment, which includes a 40-storey residential tower.

"We have no land left downtown, so the city is going to move east," said Bob Rennie, whose sale of all 536 condos at the Woodward's redevelopment in a single day is credited with sparking the Eastside real-estate boom.

"[Concord Pacific CEO] Terry Hui is a really smart guy," Mr. Rennie said. "He did something very creative getting in early. He sees land that might look expensive, but it's inexpensive compared to where condo prices have gone."

Mr. Rennie, who is relocating his own offices to Chinatown, said that Concord will need to include a substantial amount of social housing in its proposal in order to obtain city permission to build a tower on the site. "It's going to be done with a social conscience or its not going to happen."

Mark Townsend directs the Portland Hotel Society, a non-profit that rents to many of the neighbourhood's hardest-to-house residents. Portland operates a residential hotel next door to Concord's new Hastings Street property, and is redeveloping the historic Pennsylvania Hotel, at which Concord paid cash in advance for unused density rights.

"Concord Pacific has put a lot of energy into the Downtown Eastside. In our experience, they have been a creative and responsive developer," Mr. Townsend said. "We could not have renovated the Pennsylvania Hotel without Concord Pacific's help."

Wendy Pedersen, a housing activist at the Carnegie Community Action Project, was less welcoming. She accused Concord of having "whittled away" at social housing commitments related to its False Creek developments.

"Condo towers on Hastings Street would spell the end of the Downtown Eastside as a low-income neighbourhood," Ms. Pedersen said. "I'm concerned that it's become open season on the Downtown Eastside."

Elvin Wyly chairs the urban studies program at the University of British Columbia. "Just a few years ago, it would have surprised me to learn that a company like Concord Pacific was moving into the Downtown Eastside," Mr. Wyly said.

"It does not surprise me now. This is a culmination of a long process by which the urban core is becoming a truly elite market."