



Musqueam stand to make it rich on real estate

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If you want to see the people who now stand to make it rich in Vancouver's real estate development, don't look for the usual wheeler-dealers in expensive suits and flashy cars. These days you should check out the men, women and children of the Musqueam First Nation, long a pocket of poverty smack in the heart of one of the city's richest neighbourhoods.

With a stroke of his pen, Premier Gordon Campbell has made the approximately 1,000 members of the Musqueam band owners of some of the choicest packages of real estate left on Vancouver's west side. I've been wondering just how much the land they are getting would be worth if sold to developers.

The provincial government didn't offer the public an estimate of its value in the historic land swap that took place on Nov. 9, essentially transferring about 88 hectares of prime city real estate, including the title to the golf course at the University of B.C., to the Musqueam. But the developers in this city have been privately doing their math, I can tell you. And some big numbers are popping out of their calculators.

Let's forget the value of the university golf course, for now, which is generally the focus of what appears to be a \$1-billion-plus land deal. Instead consider the potential worth of a few of the other, smaller packages of land the province will transfer to the Musqueam, likely by the new year. (Warning: there's a lot of numbers going forward, but it's worth the effort if you want to get a sense of what the province's "new relationship" with aboriginals is going to cost.)

First let's take a look at the 8.5 hectares that will be cut out of Pacific Spirit Park, just west of the UBC golf course, and transferred to the Musqueam as "fee simple" land, just like any other real estate owned by a private citizen or company. Under the agreement, 7.3 hectares of this land will be available for the same sort of multi-family developments in the surrounding neighbourhoods in the university's endowment lands.

This translates into the Musqueam being given 1.139 million square feet of what developers call "developable" land, enough space to build about 2,000 apartments.

Now, like any land developer, the Musqueam First Nation must open their

chequebook, or secure financing, before they can capitalize on this real estate.

To prime the land for development, the Musqueam would have to cut down the old trees, grade the land and service it with roads, sewers and other infrastructure. That would likely cost between \$15,000 to \$30,000 per dwelling, "or door," estimate developers. So let's split the difference and say it would cost the Musqueam \$25,000 per unit, or about \$50 million to prepare the land for condos or housing.

But then the Musqueam could sell the land to developers for about \$200 a square foot, or about \$225 million. That would be a profit of about \$175 million.

Now, let's consider another prime piece of property the Musqueam will receive: the so-called triangle lands, a 13.8-hectare parcel of park next to the Musqueam reserve. The deal would see this land, with its prized southwestern exposure and access to southwest Marine Drive, returned to the Musqueam reserve, giving the band complete control of it.

If it is developed for real estate under the same density model, with leases similar to those currently given out on the University Endowment Lands, the band would see another windfall. If just 10 hectares of the triangle lands were developed under that model, it would yield about 1.6 million buildable feet, say enough for 2,500 apartments.

Subtract land servicing costs of about \$60 million to \$70 million, and this land sale would net a profit of about \$250 million.

Total from those two land transactions alone? In the neighbourhood of \$425 million.

This is, admittedly, early and rudimentary arithmetic on the bottom-line value of this public-land transfer to the Musqueam First Nation. It does not include, for example, the possibility that after 2083, when the UBC golf course would be open for development, some condominium building will occur there, too.

It also doesn't take into account the possibility the Musqueam may end up giving the Shaughnessy golf club, now leasing Musqueam reserve land, a lease on its newly obtained university course down the line. That could open up the Shaughnessy course for a massive golf-course/resort development, offering the chance to sell off some of the best view properties left in Vancouver.

And I'm not factoring in the future value of the Bridgeport Casino lands. The Musqueam now own those seven hectares, too. Given that gambling is a business they have expressed an interest in, the Musqueam now clearly have a base of operations to start a gaming empire, if they choose.

It's hard not see some historic irony here.

The Musqueam, who once considered all of Vancouver and beyond their nation, were squeezed onto a tiny reserve and largely forgotten, treated as ghosts of the past. Now, with a premier seeking a "new relationship" and courts urging the B.C. government to "accommodate" native land claims, the Musqueam have re-emerged as very real real-estate millionaires in our midst.

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