

REGIONAL ROUNDUP Surrey's downtown will be the biggest in B.C. in 20 years and the strut is already showing

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WESTERN INVESTOR

When J.P. Morgan Chase moved from New York the giant financier bypassed Vancouver to set up its West Coast offices in Surrey. The move, startling to some, inevitable to others, did more than crank up the already cocky character of British Columbia's second-biggest-with-a-bullet city.

In one move J.P. cut Surrey's office vacancy rate nearly in half and gave notice that there is a new downtown emerging. And this one has a real urban edge.

"Vancouver's population is reducing. We are growing by 1,000 to 1,500 residents per month," said **Peter Hope**, executive director of the **Surrey Chamber of Commerce**. "At this rate we will surpass Vancouver within 20 years."

Surrey is already the 12th biggest city in Canada, boasting a population double that of Richmond and significantly larger than Burnaby.

And it is aging, once-wicked Whalley where the action is being seen.

"Our commitment to rejuvenating Whalley is unwavering," pledges Mayor **Doug McCallum**. "We believe in the potential of this area and we will do whatever is within our power to stimulate positive change."

City Centre

People are taking note. Originally focused around **Surrey Central City Mall** (formerly **Surrey Place Mall**), located on King George Highway between 102 Avenue and Old Yale Road, the heart of Surrey's emerging downtown core is rapidly spreading east to encompass an area from King George Highway to Guildford.

In a dramatic turnaround from the **ICBC/Tech BC** fiasco of a decade ago, the million-square-foot office tower component of Surrey Central City Mall is now two-thirds leased. Tenant interest in the state-of-the-art building began escalating ever more rapidly after the provincial government's March announcement of a \$70-



Photo: Surrey City Centre

Surrey City Centre — home of SFU and J.P. Morgan — the new heart of downtown Surrey

million injection to create a new **Simon Fraser University** campus in Surrey.

After operating out of temporary quarters originally occupied by **Zeller's**, August saw SFU move its administrative staff, professors and some of its student labs into two floors in the new tower.

SFU Surrey communications manager **Terry Lavender** says that by next September, the start of the 2005/06 academic year, the entire Surrey campus will be moved into its new premises.

"We currently have 1,000 students. By next year we will have 1,200, and by the year 2010 we will have some 2,500, at which point we anticipate every SFU faculty will offer some courses out of this campus."

But it was likely the announcement that giant J.P. Morgan Chase had leased 132,000 square feet in the complex that caused the biggest wave of excitement. The deal kick-dropped office vacancy rates in Surrey from 52.8 per cent to 28.1 per cent.

"It was a huge boost," acknowledges **Paul Reilly**, president of Surrey City Centre Mall Ltd.

Reilly cites the tower's high-tech amenities,

top notch security and convenient location as factors that appeal to tenants such as J.P. Morgan Chase who are looking for Class A space but not necessarily in Vancouver. Central City is the largest office complex in Canada to embrace the high-tech trend of raised access floors complete with under-floor HVAC system, a feature Reilly notes is particularly attractive in an environment where changing technology makes modifying office configu-



rations a regular event.

The retail component of the mall is also undergoing change. After a facelift in the mid-1990s and a complete remodelling of the north mall in 2003, centre manager **Shane Eldstrom** says sales and leasing are exceeding expectations.

"We have acquired the property **Sears** sits on, and they now lease it back from us. We have about 13,000 square feet under construction and we just did a deal with **Sport Mart** for a 7,000-square-foot outlet," Eldstrom says. He adds that what was once the site of the **Sears Auto Centre** is soon going to become a free-standing, 25,000-square-foot **Best Buy**.

A block north of the mall, the city is investing some \$2 million into renovating the **North Surrey Rec Centre**. "We will add a weight room and significantly expand the lobby and meeting rooms," says **Murray Dinwoodie**, general manager for planning and development. The move is expected to augment the increasingly upscale Central City environment.

SkyTrain link

Expectations are also running high that a recently listed seven-acre tract comprised of two land parcels beside the King George SkyTrain station will attract rapid development with speculation running the gamut from further high-end retail to a conference centre.

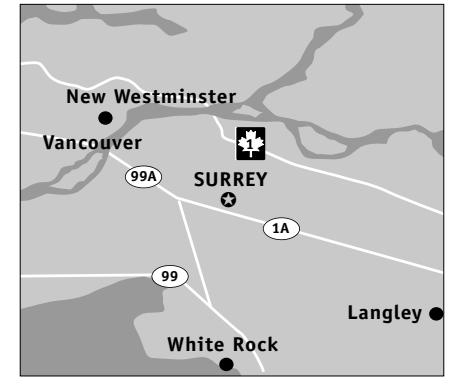
"Surrey has become very focused about developing this area as 'The City,'" says **Collier International's** vice-president **Sheldon Scott**, who listed the \$9.2-million property. He points to the success of other neighbourhoods designed around SkyTrain terminals — Terminal and Main, Collingwood Village and City-in-the-Park by the Edmonds station. "Surrey has definitely got a vision and they are aggressively pursuing it."

In another "white elephant no more" story, the once ill-fated **Asian Centre** on 104 Avenue appears to be back on track, but with a major shift of direction.

Bought by **Cornerstone Capital Management**, the 254,000-square-foot mixed-use structure is expected to be ready for tenant improvements by spring 2005. "The building is now closed in and water-tight," says **Mike Cooper**, senior project manager for **Kindred Construction Project Management Ltd.** But he stresses the centre is no longer the bland eyesore people have gotten used to: "This is going to be an attractive, very classy building." Cooper notes that with each floorplate running approximately 90,000 square feet, the new centre is ideal for tenants who want large amounts of contiguous floor space — and more space can be added.

'We are growing by ...1,500 residents per month'

Quick facts



Surrey

- Population** (2001) 363,013, (2003) 390,145
- Value of residential building permits** (2003) \$815,911,000
- Value of nonresidential building permits** (2003) \$141,397,000
- Average house price** \$247,855
- Median family income** \$55,608

Guildford auto mall

Continuing east, Guildford will soon be home to a new, destination auto mall. After three years, **Bill Harbottle**, business development manager, says the **Jim Pattison Auto Group** has finally received approval for an 18.8-acre, \$75-million auto mall between Guildford Drive and the Trans Canada Highway just east of 152 Street.

Based on the same principles as its successful **North Shore Auto Mall**, Harbottle says this new mall will offer seven dealership lots clustered along a one-way loop road.

"The Jim Pattison Group will put in three dealerships — **Toyota**, **Hyundai** and a new **Volvo** dealership," he says. "But when you look at other malls [of this type], you'll see they typically attract new franchises as well. We anticipate the same will happen here." ♦

