

Developer predicts another Alberta boom

Toronto-based Brad Lamb plans 'five or six' new towers in Edmonton, is buying two more sites in Calgary

SHARON CROWTHER

Brad Lamb has big plans for Calgary and Edmonton: predicting a land-value boom to rival Toronto, he says. Lamb Development Corp. is planning "five or six more high-rises in Edmonton alone over the next 20 years."

Furthermore, the Toronto-based developer claims the economic downturn in Alberta has been "irrelevant" to the delayed build of Edmonton's Jasper House, a 38-storey luxury condo development in the downtown core.

"We didn't delay Jasper House, it was delayed. There's a difference. We closed on the site in February, 2014, launched sales in November, 2014, and by December, 2014, oil prices had collapsed and Alberta was headed for a recession. But we kept our sales centre open and we continued to push ahead with getting the site rezoned," he says.

It was originally hoped that construction of Jasper House, which is located at 106 Street Northwest and Jasper Avenue, would start in late 2015. Mr. Lamb says the development is currently 50-per-cent sold.

"Jasper House was the canary in the coal mine. It was the first project in the Warehouse District that was moving for that kind of height. The site was zoned for eight storeys and I want 40. That means the city's plan has to be re-evaluated and that can take years," Mr. Lamb says.

"The reality is that the rezoning and development-plan process still isn't complete, so even if the economy in Alberta didn't have a hiccup, we still wouldn't be building Jasper House today," he adds.

Mr. Lamb hopes the approval of Jasper House will be "imminent," which would mean the build could commence this year.

"It's next in line to break ground, but eight months from now is the earliest that will happen. Which means we'd be looking at completion in 2020," he says.

Currently, Lamb Development has "more than \$2-billion worth of projects rolling out in Canada," including four buildings under construction and 20 in development in Edmonton, Calgary, Toronto, Ottawa and Hamilton.

Mr. Lamb says he's well used to dealing with "recessions and downturns and problems," which "are a daily occurrence" in the industry.

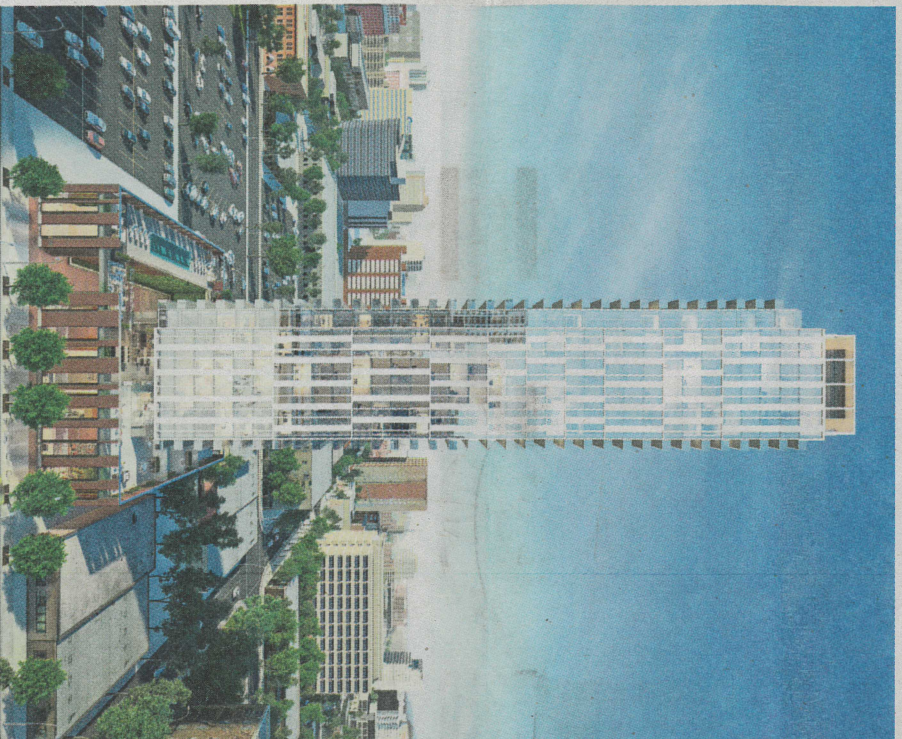
"Real estate markets don't always go up. Look at 2011 in Toronto; it was one of the worst years in history for selling condominiums. I'd say it was almost equal to 2014 and 2015 in Calgary and Edmonton. There was a huge oversupply and we weren't selling anything," he says. "But as a developer, you have to be able to weather the storm and not be derailed by these things because they're inevitable."

"The timing of the recession has been perfect for us actually," he continues. "Sales have been better in the last four months than they've been in the past two years. Visits to the sales suite are up; we sold four units in Jasper House in February. Things are looking up and it happens to coincide with progress on the development."

Mr. Lamb describes Edmonton's new Arena District as "the best in North America" and "a real kick of economic growth" for the city.



Lamb Development Corp. is slated to begin construction of the Orchard condominiums in the Victoria Park district of Calgary in the next six months. ALL IMAGES AND PHOTO BY LAMB DEVELOPMENT CORP.



Jasper House is a planned 38-storey luxury-condo development in downtown Edmonton. The project could be the first residential building in the city's Warehouse District to reach that kind of height.

And he's further buoyed by news that Edmonton is planning a "a substantial city park" immediately to the southwest of his development.

"Jasper House will be the only building immediately adjacent to the park. It's a phenomenal asset that we're lucky enough to be the benefactors of," he says.



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Mr. Lamb's other Edmonton development site, North, also located on 106 Street Northwest, will also benefit from the proposed park. He hopes to break ground on that site in 2019, although he's currently undecided whether it will be an apartment building or a condominium.

"The idea with the North was to

create an economy of scale for us as a company based in Toronto. The plan was always to start that build only when Jasper House was well under way or completed," he explains.

It's a tactic Mr. Lamb employed in Calgary, where his Beltline development, 6th and Tenth, is nearing completion, while his Victoria Park development, the Orchard, will break ground in the next six months.

Lamb Development is in the process of acquiring two more development sites in Calgary, taking his current development investment in the city to \$350-million.

"One will be a very high-end building in the city centre, while the other will be another high-rise, 40 storeys, in Victoria Park," he says.

Calgary Municipal Land Corp. will be revealing a new master-plan for a cultural and entertainment district in Victoria Park in June. "We have a big financial stake there," Mr. Lamb says, "so we certainly want to have a say in what happens. If another opportunity came up in that neighbourhood, I think we'd be interested."

Mr. Lamb says investing in development sites that provide an immediate income stream has ensured financial stability for Lamb Development in the province.

"We don't burn a lot of cash in Alberta because all of our assets there are parking lots. We rent them to an operator, we get a cheque every month and they're doing well."

It's one of the reasons he says Alberta continues to make good financial sense, despite the slow economy.

"There was a time when land in Toronto was \$10 a buildable square foot. Now, it's \$200 a buildable square foot. Development is easier and density has tripled, so land prices have gone up exponentially. The exact same thing happened in Vancouver and it's going to happen in Calgary and Edmonton," he explains.

"After the last recession in 2008, land in Calgary was \$20 a buildable square foot. It went up to \$60 at the peak before the oil price collapse and now it's back down to around \$35. But land in Calgary will be \$100 a square foot in the next five to 10 years. That's coming because there's not a lot of fallow land left in the downtown core any more. The same will happen in Edmonton over time as areas like the Warehouse District see further development," he continues.

Mr. Lamb has spent nearly 30 years watching trends in Canada's real estate industry and he's learned the hard way that patience is a virtue when it comes to urban land values in Canada.

"In 2003, I bought a parking lot in Toronto for \$3-million. Two days later, a parking-lot operator offered me \$3.3-million for it, so I sold it. That parking lot today is worth \$150-million," he says. "It's not a mistake he plans on making in Alberta."

"I think 2017 will be a good year, 2018 will be a great year and I think 2019 will be absolutely back to soaring real estate prices and huge net migration from the other provinces back to Alberta for jobs. We absolutely plan to be a part of that."

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