

Globe Real Estate

DEVELOPMENT

Cowtown grabs the eye of Hogtown builders

Toronto-based developers are flocking to Calgary to capitalize on the city's population growth and downtown densification

KRISTA CONRAD CALGARY

As the population of Calgary continues its steep incline, the city's downtown core is bracing itself for an influx of high-rise condominium developments to house its ever-increasing number of professionals.

In the city's Beltline neighbourhood, the population has risen consistently by about 4 per cent a year between 2010 and 2014 according to the official city of Calgary census.

And with no sign of that growth slowing, the city's core is begging for developers to build higher and create a more dense urban atmosphere downtown.

"The densification that happened in Toronto two decades ago is happening now in Calgary," said Matthew Boukall, director of residential research for Altus Group in Calgary.

"We are seeing more interest in condos, more high-rises, more focus on the downtown core."

With a population increase of over 130,000 in five years, the Beltline and other downtown residential districts are prime candidates for large-scale condominiums, and the city's continual growth, as well as its economic and socio-economic atmosphere, have attracted the eye of many Toronto-based developers.

In the past few years, firms such as Tribute Communities, Lamb Development Corp., and Great Gulf have been exploring the Calgary market for investment and development opportunities.

Brad Lamb, founder and CEO of Lamb Development, visited Calgary for the first time during the Calgary Stampede in 2006, and decided that the city was worth investigating for possible westward expansion.

"Toronto is a big city with lots of risk and always talk of bubbles bursting, so it made sense to take capital and place it somewhere else by investing in another city, to mitigate that risk," Mr. Lamb said.

"I talked to contractors and did my own research, but the [Calgary] market was overheating and poised, and I couldn't get a grip on pricing.

"It seemed to be heading for disaster."

One year later, Mr. Lamb's prediction proved to be true, as Calgary became one of the worst cities affected by the 2008 recession.

It was the city's ability to rebuild and cultivate a stronger economic base that drew the attention of Mr. Lamb and other Toronto-based builders after 2010.

"I've always found Calgary to be a fun and interesting city," said Lamb.

"I could see that it was on the verge of creating a bigger, better downtown and I wanted to be a part of that."

Lamb Development now has three condominium projects at various stages downtown and in the Beltline, including the 31-storey development, 6th and Tenth Condos.

It was the atmosphere and passion in Calgary that drew Great Gulf to the city in 2013,



Lamb Development's Orchard Condominiums. Lamb has three condo projects at various stages in Calgary. NORM LI



The 31-storey 6th and Tenth Condominiums by Lamb Development in the Beltline. NORM LI

according to the company's president, Christopher Wein.

"As a large-scale company, we're always looking to grow, and a part of our growth is geographical, so we started looking for cities with good demographics, a good economy, good energy," Mr. Wein said.

"Only a few cities in Canada are really thriving like that, and Calgary is one of them."

Great Gulf's first proposed project in Calgary is 304 Macleod, a two-tower condominium structure housing 443 units and two floors of retail space in the East Village. The project is currently in the process of acquiring development approvals with the city.

"We like that it's right in the heart of the city, and there is so much going on there," Mr. Wein said.

Mr. Boukall is intrigued by what Toronto-based developers can offer Calgary and how they will change the city by drawing more people to the downtown core with more product expertise, new and unique floor plans, and financial stability.

"These developers can take on larger projects and even move ahead with construction easier," he said.

"They'll be creating tens of thousands of new homes, so hopefully that will reignite the core and bring a new night life to the city."

Mr. Wein is excited that Great Gulf will not only be a part of building up Calgary's Beltline and downtown presence, but that the company also intends to expand further into the city by developing communities and building homes and townhouses.

"Calgary is a dynamic city with amazing energy, a great young population, highly educated professionals, great local politics and a strong mayor, and more and more people who are emigrating are choosing Calgary as their Canadian home base," he said.

"It's an exciting time in a beautiful city with some really nice natural amenities."

Even the downturn in Alberta's economy has not deterred these Toronto-based builders, who are investing in Calgary and its downtown core for the long haul.

Though condo unit sales have been slower than originally anticipated, Mr. Lamb notes that Calgary is in the same state he saw Toronto's market in 2012 and says that he is not concerned about the future of development in the city.

"Cities don't die over one incident. Calgary is going through a bad time with oil pricing, but that just changes the way we sell our product," Mr. Lamb said.

Though Lamb Development is not currently buying new sites in Alberta, the company has eyes on the market and is eager for more opportunities to invest and develop in Calgary once the economy fully recovers from the oil slump of 2014.

"Calgary is just an awesome Canadian city with massive potential," Mr. Lamb said.

"I know I'll be working there for at least another 25 years."