



The BOMA Canada

THE BUILDING OWNERS AND MANAGERS ASSOCIATION (BOMA) OF CANADA **REPORT**

FALL 2006

VOL.1 NO. 1



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BOMA Canada Holds Key Role in New National Pandemic Planning Task Force

In response to growing concerns over the possibility of a widespread viral outbreak, a National Industry Pandemic Planning Task Force has been established, composed of representatives from major commercial real estate owners and managers across the country, as well as BOMA Canada. The group is supported by Marsh Canada as an expert in business continuity and by Dr. Donald Low, Chief of Microbiology at Mount Sinai Hospital in Toronto.

The news of a possible Avian Flu Pandemic is becoming of increasing concern in Canada. In the event of a pandemic, the medical community projects that as much as 40% of the workforce will be unavailable for periods of up to 8 weeks. The workforce impact will include not only tenants, building management and staff, but also key service providers, such as cleaning and security firms. Safety, business continuity and limiting transmission are all crucial issues. Risk managers now advise that pandemic planning must become a central part of disaster preparedness plans and policies.

To mitigate the effects of any potential



pandemic, this new task force is committed to shaping strategies that reach beyond individual buildings' boundaries and to cooperatively provide action plans to protect entire tenant communities. The Industry Task Force participants include senior members of the country's commercial real estate organizations. Deb Cross, Executive Vice President, will represent BOMA Canada on the Task Force.

"I am very pleased to confirm the unanimous decision by the BOMA Canada Board to support the National Industry Pandemic Planning Task Force, says Esther Paterson, President of BOMA Canada. "Our entire industry will benefit from the involvement and expertise of the Task Force participants."



The objective of this Task Force is to develop a national pandemic response template for commercial office landlords. The participation of senior leaders from national firms demonstrates the task force's commitment to developing a practical, comprehensive plan that will work for the entire industry. The plan, being developed in cooperation with critical service providers across the country, will include procedures, public responses and standard communication in the event of a pandemic or similar event. "The cooperative spirit on this effort is a credit to the industry participants who have spearheaded this initiative," says Ms. Paterson.

The local BOMA Associations across the country are also taking a leadership role in establishing local task forces, which will provide a critical link to regional and municipal authorities across the country. BOMA Toronto has developed a comprehensive publication regarding pandemic planning which is now available on the BOMA Canada website.

To complement the efforts of the Industry Task Force, BOMA Canada has established a BOMA Canada Emergency Preparedness Task Force which is committed to ensuring effective communication amongst all stakeholders. "As the voice of the commercial real estate industry,

BOMA Canada will consolidate the guidance and information provided by the senior industry representatives, to ensure consistent dissemination of information across the country," explains Ms. Paterson.

The BOMA Canada website now provides numerous industry and government resource links at www.bomacanada-pandemic.ca/. Further details on Pandemic Planning will be distributed and posted as they become available, and the Pandemic News area of the BOMA Canada website will be the central source of information for the industry. 🇺🇸

BOMA Canada and BOMA International sign historic new Affiliation Agreement



The Building Owners and Managers Association (BOMA) Canada is pleased to announce that an historic new affiliation agreement with BOMA International has just been formally signed. The agreement was signed by Esther Paterson, President of BOMA Canada and David M. Hewett, Chairman of BOMA International, at the BOMA International Board of Governors meeting on Sunday, June 25, at the North American Commercial Real Estate Congress, in Dallas Texas.

This new affiliation agreement represents the launch of a new era for these associations and is the result of the strategic evolution of a long-standing

relationship in North America. "This tremendously positive step forward now offers us the opportunity to invest in the growth and success of BOMA in Canada, the Canadian local associations and Canadian members," says Ms. Paterson. "The restructuring of our relationship with BOMA International will enable us to refocus resources and energy, to build a stronger BOMA at the local, Canadian and international levels, and provide enhanced value for all members of BOMA in Canada. Canadian dues dollars will be invested in Canadian programming and advocacy, and will enable us to focus directly on issues of interest and importance to Canadian members."

BOMA International and BOMA Canada have a long history of partnership and cooperation. Canadians have been actively involved in BOMA International since the 1930s and have participated at all levels of BOMA International in leadership roles, as well as contributing to the strategic direction of the organization. In 2000, BOMA International helped establish a new BOMA Canada office and staff in Ottawa, to support the growth of the organization and facilitate the development of BOMA in Canada. Since that time, BOMA Canada has grown and developed into a strong national voice for the industry in Canada, bonding together the collective strengths of the nine (9) BOMA associations in Canada, and delivering programs of value to members, and to the commercial real estate industry in Canada.

BOMA Canada is pleased that the agreement will allow the organizations to maintain strong links and nurture the spirit of collaboration that currently exists between the two organizations. The affiliated relationship will also encourage and promote participation from Canada in leadership and education initiatives at BOMA International, as well as facilitating information and idea-sharing. The drafting and acceptance of this agreement will also provide a valuable template for future International affiliation agreements as the BOMA International organization continues to grow.

"We will continue to actively work together for the betterment of the real estate industry in North America and internationally," explains Ms. Paterson. "The leadership of BOMA Canada and BOMA International will meet regularly to discuss opportunities for cooperation and partnership on initiatives and programs that advance the goals of both organizations. Together, we will continue to bring value to members and the industry, and nourish and strengthen the BOMA brand in North America and throughout the globe." 🇺🇸

Major Firms Partner with BOMA Canada

BOMA Canada is pleased to announce that the Hurley Group of Companies and SNC-Lavalin ProFac have signed on as Gold Members of BOMA's new National Partnership Program (NPP), launched earlier this year.

The NPP was initiated to provide an opportunity for organizations to significantly enhance their profile and to effectively communicate their corporate message to the commercial real estate industry while supporting the objectives and initiatives of BOMA Canada.

"In demonstrating commitment to this program, both SNC-Lavalin ProFac and Hurley are providing generous support which will greatly enhance our ability to continue to deliver value to the commercial real estate industry in Canada, both to BOMA members and to non-members," says Esther Paterson, Chief Elected Officer of BOMA Canada.


Projects such as the BOMA Go Green Environmental Certification program, the National Pandemic Planning Task Force, BOMEX®, the BOMA Canada National Awards, and many initiatives envisioned for the future, are successful exam-

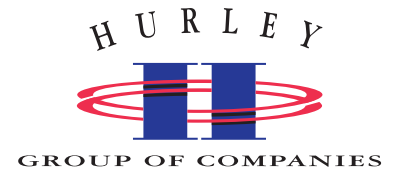


ples of BOMA Canada's activities aimed at facilitating communications among its more than 2,500 members and the industry. BOMA also develops advocacy programs, provides opportunities for collaboration and networking, and promotes excellence throughout the commercial real estate industry.

Major thanks are also extended to BOMA Canada's Silver Partners, Bentall Real Estate Services, Litmore, The Home Depot Supply, PCL Construction Group and GWL

Realty Advisors. The Bronze level partners include Halsall Associates, Cadillac Fairview, Carma Industries, IRC Group, Jacques Whitford, Arcturus Realty Corporation, Aecon Buildings and the BOMI Institute.

Several partnership opportunities, including at the Platinum level, still exist. Interested firms are invited to contact BOMA Canada to obtain further details (613) 788-3787, or visit the BOMA Canada web site at www.bomacanada.ca. 



BOMA Canada – The Building Owners and Managers Association (BOMA) Canada is the voice of Canada's commercial real estate industry with over 2,500 members in regional associations across Canada. On behalf of the building owners, managers, developers, facilities managers, asset managers, leasing agents, brokers, and the product and service providers to over 1.9 Billion square feet of commercial real estate in Canada, BOMA Canada addresses issues of national concern, and promotes excellence in the industry through information, education, advocacy, and recognition.

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Hugh Gorman Announced as BOMA Canada President's Award Recipient



Esther Paterson, President of the Building Owners and Managers Association (BOMA) of Canada, is pleased to announce the 2006 recipient of the BOMA Canada President's Award. In recognition of his service to the national association, as well as his ongoing efforts to help shape the commercial real estate industry into a more dynamic and diverse business, Hugh Gorman is being honoured for his dedication and leadership.

Mr. Gorman has been actively involved in the Building Owners and Managers Association as a member of BOMA Ottawa and BOMA Canada for many years. With BOMA Ottawa, he served as chair of the Nominations, Planning & Policy and Audit Committees and as an officer holding the positions of Treasurer, Vice President and was President from 1999 to 2001. He served on the national Board of Directors of BOMA Canada for three years and was actively involved in the completion of the new BOMA Canada strategic plan. Currently the Immediate Past President of BOMA Canada, he was elected Secretary-Treasurer of BOMA Canada in 2002, Vice-President in 2003, and held the position of President in 2004-2005. During his term on the BOMA Canada Executive, he served as a member of the BOMA International Finance Committee and the BOMA International Executive Committee.

While in his role as national President of BOMA Canada, he guided the strategic direction of the organization. During his tenure, Mr. Gorman was instrumental in advancing BOMA's voice on behalf of Canada's commercial real estate industry, and in pushing forward a number of key strategic initiatives, including BOMA Canada's national environmental certification program, Go Green, and the establishment of the historic new affiliation agreement with BOMA International.

"Hugh Gorman fulfilled the role of President of BOMA Canada in the true spirit of leadership," says Esther Paterson, current President of BOMA Canada. "His experience with the North American Real Estate Market and his knowledge of BOMA at all levels, local, national and international were the catalyst for a new vision for BOMA Canada. That vision challenged the ground rules while strengthening the core values of BOMA – advocacy, excellence and networking," she adds.


BOMA Canada is an organization made stronger through the collective efforts of its members. Whether at the local, national or international level, volunteers lend valued expertise and insight, crucial to

helping the organization accomplish its goals. Accordingly, the President's Award recognizes an outstanding contribution by an individual to BOMA Canada. Thanks to his exceptional leadership, and continued dedication, BOMA Canada is delighted to recognize Mr. Gorman's contributions in serving our association and our members at the national level.

Mr. Gorman's career in this industry stems back to 1988, when he obtained his real estate sales license and worked in the brokerage industry as a real estate sales representative with a firm specializing in investment properties and limited partnerships. After graduating from Carleton University with an Honours Bachelor of Commerce, he joined Canderel Limited as the Marketing Coordinator and Leasing Officer and was later promoted to the newly created position of Asset Manager. His responsibilities included leasing and management of a portfolio of office and industrial properties and reporting to clients such as Investors Group Real Property Fund, Citibank and OMERS Realty Corporation.

Mr. Gorman joined Camdev Properties (O&Y Enterprise) in April 1996 as the Leasing Manager for the office and retail portfolio of 2.3 million square feet. As Leasing Manager for Camdev he was involved in the extremely successful redevelopment of the Pinecrest Shopping Centre in Ottawa. He rejoined Canderel in late 1998 as the General Manager of Constitution Square and in 1999 he was promoted to General Manager of the Urban Region when Canderel was acquired by Oxford Properties Group, then to Director of Ottawa in 2000, Vice President Ottawa in 2002, and Vice-President Montréal in 2004. In 2006 he was named Vice President, Industrial with Oxford Properties Group.

"By enabling others, Hugh Gorman created the opportunity to redefine the governance structure of BOMA Canada and BOMA Canada's role with BOMA International, notes Ms. Paterson. "Inspiring a shared vision among the nine BOMA Canada Local Associations, Hugh Gorman has laid the foundation for a stronger, more dynamic and more cohesive national agenda. He is truly a most deserving recipient of the 2006 President's Award."

The BOMA Canada President's Award will be formally presented to Hugh Gorman at the BOMA Canada National Awards Gala in Halifax, on September 21, 2006, in conjunction with BOMEX® 2006, BOMA Canada's national conference and exposition. 



BOMA Canada's Environmental Certification Continues to Grow

BOMA Go Green, a national environmental certification program launched last year, is riding a wave of enthusiasm across the country as building owners and managers recognize the importance of addressing growing environmental concerns. BOMA Go Green's success is underscored by the surge in applications over the past year. As of August 2006, over 150 commercial properties have now received Go Green Certification, more than doubling the tally of a year ago, and many more applications are in process.

"BOMA Canada is very proud of how quickly and thoroughly the commercial real estate industry has embraced Go Green," says Esther Paterson, President of BOMA Canada. "The program was developed to address the need for a benchmarking standard that applies to all buildings, and in response to an industry-wide desire to be more


environmentally sensitive and accountable. The country-wide support is proof that the program is fulfilling an important role."

The BOMA Go Green program addresses ten requirements in five categories of environmental responsibility touching on all aspects of building management and operation, including Resource Consumption, Waste Reduction & Recycling, Building Materials, Interior Environment and Tenant Awareness. As a "best practices" model, Go Green guides owners and managers in reducing buildings' energy consumption and operating costs, as well as heightening environmental stewardship and due diligence. It also leads to improved tenant safety, health, comfort, and productivity.

The Go Green program comprises two elements in which buildings and firms can choose to participate. The comprehensive component was

recently renamed Go Green Plus; it is designed to offer added value to building owners and managers through the provision of a detailed, benchmarking and scoring system for environmental standards. The new name, Go Green Plus, is reflective of that added value and was also chosen to align more closely with the french name of the program: Visez vert Plus.

With scores of buildings now applying for certification each month, Go Green's significance and relevance is also demonstrated by the fact that more than 10 major national industry players have committed to the program, including Public Works and Government Services Canada (PWGSC).

BOMA Go Green provides a tangible means of recognizing those buildings where environmental best practices have been implemented into the operations, and to foster enhanced environmental consciousness. The groundswell of support for Go Green is tremendously gratifying, and helps prove that BOMA's leadership role in encouraging environmental responsibility in our industry is both appropriate and meaningful. 

For more information and to apply for certification, contact BOMA Canada, the local BOMA association in your region, or visit the BOMA Go Green website at www.bomagogreen.com.



A Good Time to be a Landlord

BY Barbara Carrs

Toronto's most famously mothballed construction site should soon be active again. More than 15 years after the original developer abandoned the fledgling Bay Adelaide Centre, the new owner, Brookfield Properties Corporation, has announced plans to proceed with a 50-storey, 1.1-million-square foot tower – the first phase of up to 2.6-million square feet of commercial/residential development for which the two-block site is zoned.

With the structural work below grade already largely complete, the developer has a jumpstart on bringing new supply to what looks like a receptive market. Two other downtown office tower projects are also set to start this fall, representing a dramatic increase in development activity. Indeed, all three development proponents have claimed title to the first and/or most significant new building in more than a decade.

In total, the downtown projects promise more than 3 million square feet of new space. At the same time, about 2.1 million square feet of new space is expected to come onto Calgary's market by 2008, while rising demand coupled with booming residential construction is squeezing Vancouver's office availability ever tighter.

The three cities are flourishing to differing degrees and for somewhat differing reasons, but the overall trends bode consistently well. "The bottom line is it's a good time to be a landlord in most of our Canadian markets," says Mark Chapnick, Senior Vice President with Jones Lang LaSalle. "Tenants' choices are just a lot more limited."

CALGARY BOOMS

Any overview of boom times necessarily begins with Calgary. There is virtually no vacancy in approximately 18 million square feet of Class A and AA office space in the downtown core. New buildings in development are already largely pre-leased.

This includes the recently announced Bankers Court, a 15-storey, 265,000-square-foot adjunct to the 40-storey twin towers of Bankers Hall, projected for completion in 2008. Other major projects now under construction downtown include: Bentall Real Estate Services' Livingston Place, a two-tower, 840,000-square-foot complex; the 575,000-square-foot Homburg-Harris Centre; the 240,000-square-foot OPUS 8 tower; and Tonko Developments' 225,000-square-foot Centrium Place.

City watchers say the big concern is whether municipal infrastructure can keep pace with the growth that's still to come. "If you add up all the projects that they say are poised to go, it's something like 6 million to 9 million square feet," reports Bill Partridge, Executive Vice President of the Building Owners and Managers Association (BOMA) of Calgary. "The City has been slow off the mark to build the parking and it has been even slower off the mark in building transportation infrastructure."

Rising costs, lack of choice and increasing congestion are prompting more and more prospective tenants to look toward the suburbs. "Unlike Toronto, Calgary has very few true suburban office park areas," says Jeff Hyde, Vice President, Development, with GWL Realty Advisors.

His company is developing one of the first – a 26-acre campus with an envisioned ultimate build-out of up to 750,000 square feet of Class A office



space in five buildings, along with some freestanding retail. The first 80,000-square-foot building is scheduled for completion in the fall of 2006, and an anchor tenant has just been signed for the eight-storey, 200,000-square-foot Phase 2.

The site at Crowchild Trail and 50th Avenue in Calgary's southwest quadrant is a relatively short commute from downtown, but the psychological distance from the core to the suburbs presents more of a barrier. "Generally speaking, to date, any oil and gas related company or companies that service the oil and gas industry tend to be in the downtown. We have yet to see even a minor exploration company migrate out of the downtown – the reason being, the mass of the industry is still downtown," Hyde acknowledges. "It would be a hell of a sell to get those employees out of the downtown."

RESURGENT DOWNTOWN TORONTO

Similar forces are in play in Toronto. "The primary difference in the markets is that Toronto is focused on financial services whereas in Calgary it's focused on oil and gas," says Tom Farley, President and Chief Operating Officer of Brookfield's Canadian Commercial Operations. "Our view – and generally it holds true for most cities – is that there is a large degree of interdependence between the elements of the business sectors. As a result, they like to have close proximity to each other and that will sustain the downtown core of a city. I have never seen a flight to the suburbs."

Although not rivaling Calgary's numbers, availability is declining and rents are climbing throughout the Greater Toronto Area, particularly downtown. About 564,000 square feet of space was absorbed in the financial core in the second quarter of 2006, and Class A and AA vacancy rates have dropped to 4.7%, down from 7.4% at mid-year 2005.

All three of the recently announced downtown towers have anchor tenants in place. Cadillac Fairview Corporation was first out of the gate with the March unveiling of plans for the 43-storey, 1.2-million-square-foot RBC Centre. In early July, Menkes Developments announced the 30-storey, 780,000-square-foot TELUS tower. The following week, Brookfield announced that KPMG would be the lead tenant in Bay Adelaide West.



“There’s something very sexy about putting up a large office tower. They are landmarks,” muses Stuart Barron, National Director of Research with Cushman & Wakefield LePage. “There is and was a race to see who could be the first to put up a significant tower in the downtown.”

Concurrent strong residential development trends offer positive reinforcement. “It’s an exceptional thing for the city and for the vitality of the downtown core,” Barron asserts. “It is the young labour force that will live downtown and work downtown, and it is this population that is spending money and generating revenue for local businesses.”

LIVABLE VANCOUVER

Market observers have mixed views of the role residential development plays in Vancouver’s market. Last year, land that had been zoned for three million square feet of commercial space was rezoned for condominiums.

“In Vancouver, geography dictates that the core is very small and residential values dictate that the highest and best use for land in the core is condos. I think it is a problem for the city because it’s losing its mass in the core,” Mark Chapnick says. “There really are no substantial sites left downtown to build [office buildings]. Asking rates have gone up quite a bit.”

JJ Barnicke reports that the downtown office vacancy rate has dropped a full point so far in 2006 – from 5.8% at the end of the first quarter to 4.8% at the end of the second quarter. “There really is only one large block of contiguous space downtown and it would be considered C-class space,” notes Conor Finucane, Director of Research with JJ Barnicke Vancouver Ltd.

New downtown development is currently limited to two projects. Bentall V, Phase II – a 238,000-square-foot, 10-storey addition to the existing circa 2002 tower – is scheduled for Spring 2007 completion, and is almost entirely pre-leased. Jameson House, a commercial/residential tower with 75,000 square feet of office space in the lower eight floors of a 33-storey tower, is expected to come onto the market in 2009.

Vacancy rates in the Broadway corridor, which is located just across the bridge from the downtown core, have dropped to 5.1%. However, with a total supply of slightly more than 1.8 million square feet in 35 buildings, its market is easily surpassed by the 6.8 million square feet of space in Burnaby or 4.5 million square feet in Richmond.

Burnaby’s location, adjacent to Vancouver, and public transit links, via the SkyTrain, place it within a 20-minute commute from the downtown. VANOC, the organizing committee for the 2010 Winter Olympics, is one high-profile

tenant that recently took up 200,000 square feet on the Burnaby side of the two cities’ boundaries.

“That’s a prime example of not being able to find space in the downtown,” Finucane says. “Burnaby is the first choice for business outside of downtown and the Broadway corridor.”


Infrastructure investments and upgrades, in part related to Olympic preparations, should also improve the logistics to the suburbs. Two notable projects include the twinning of the Port Mann Bridge, and a new direct transit line from the Vancouver International Airport to Richmond and on to the downtown. “We are expecting to see an increase in demand for Richmond office space due to the improved transit system,” Finucane predicts.

VANOC has adopted sustainability principles to guide all Olympic undertakings and has committed that all new facilities will achieve LEED (Leadership in Energy and Environmental Design) standards. The Vancouver Olympic Village, for example, is the final element of the False Creek renewal program first launched by the federal, provincial and municipal government in the 1970s. It will be another one of several redevelopment projects throughout the Greater Vancouver Region that have transformed abandoned and/or contaminated industrial tracts into mixed use residential/commercial communities.

While other Canadian cities introduce incentive programs to encourage the development industry to tackle derelict lands known as brownfields, the real



estate market alone is driving the investment in Vancouver. “As far as I can tell, incentives aren’t needed. Certainly, in this region a lot of industrial land is waterfront land and, as such, it has huge market appeal,” says Gordon Harris, Principal of Harris Consulting Inc., which specializes in urban planning and land economics.

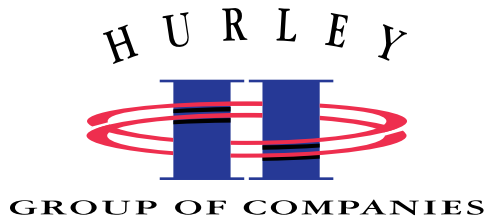
He dismisses the notion that residential growth poses a threat to the commercial sector. “There’s this concern that we’re driving employment out of the central core. It’s nonsense. There is room for both,” Harris contends. “Arguably, we will never run out of land. We will simply get smarter about how we use it. My office is in an eight-storey building on a wonderful site, but it would probably make more sense if it was a 20-storey building. Cities always have one more site – buildings reach the end of their economic lives and they get redeveloped.” 

The preceding article is excerpted from Canadian Property Management, September 2006.



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