

# Building Blocks

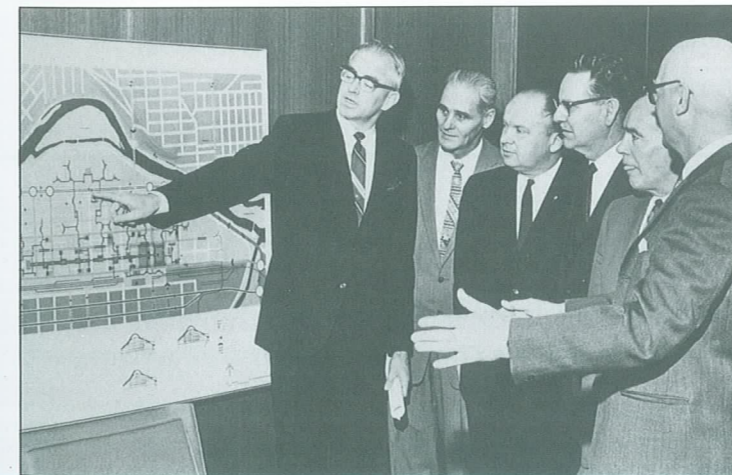
On the heels of the "baby boom" times, Calgary, demographically speaking, was undergoing big changes which proudly affected the real estate business. It transpired that, during the decade of the 1960's, more than 800,000 Calgarians were under the age of 15 and 75 per cent of citizens were under 45. Moreover, births were increasing the population by 20 a day, well above the mean average of 12 daily births. This noticeably affected the housing market as more parents in all parts of the city, were searching for, or contemplating, detached homes for their expanding families.

Apartment living, never a Calgary family favorite throughout its history, was not an eagerly coveted life-style. However, mainly for economic reasons, there was a growing public interest in row housing. Condominiums were springing up in great numbers all over the city. That form of shelter was becoming available in closely-packed enclaves which offered a minimum of external maintenance and ground space, coupled with communal recreation and car parking facilities. Still, it was a developing trend which appeared healthy enough to last for the balance of the century. On the other hand, Calgarians in general continued to cultivate more avidly than ever, their fondness of trucks, large homes, and golf, each of those factors exerting a strong influence on real estate patterns.

To accommodate a steep rise in population, suburban sprawl and area building projects by property developers, Calgary's outskirts fanned across prairie farmland with a certain degree of

abandon, providing realtors with undreamed-of opportunities and car mileage tallies! The people who were settling into these bald, newly-minted communities provided the real estate professionals with another avenue - office, factory, and warehouse accommodation.

There were interlocking needs for new industrial parks, improved vehicle accessibility to our ever-expanding suburbs, and stepped-up civic awareness and action re: city core transportation services. Downtown parking was an explosive requirement. The city's air links, in the face of the federal government's frenzied slashing of railway service, became more essential than ever. To this day real estate values within sound of the airport are in disarray due to a lack of cooperative endeavor to reconcile urban living with the undeniable need for intensified air traffic. Schools, churches, hospitals, parks, and such community services as fire and police protection, local shopping, recreation facilities, each required its own degree of focussed attention which inevitably involved the real estate industry.



*Mayor Jack Leslie, Realtor, Appraiser, and Mayor explains the Calgary street systems to a delegation in this 1968 photo.*

Photo - Glenbow Archives Na 2864 - 459A

Calgary was on a roll, and so were the Realtors. To provide working requirements of those who descended upon the city in this hyper-active time, a high volume of urban construction and ownership-changing was generated. Calgarians were justified in boasting that their civic bird was the Rooftop Crane. Although their number dwindled in later years, in 1968 as many as 64 swinging boom cranes described arcs against the sky. Beneath their mobile feet, skyscrapers reached upward, dramatically changing the silhouette of the city. It was the time when the Calgary Chamber of Commerce president, Fred Peacock said with justifiable pride, "The lee side of the Rockies is where it all begins!"

Statistics, voices and opinions which influenced the activities of C.R.E.B. included an eye-opening overview of a growth pattern between the years 1940 and 1978, a period of great significance to the city in its wartime and post-war years:

YEAR	POPULATION	BUILDING PER MIT VALUE
1940	86,000	\$2.7 million
1947	102,000	\$130 million
1964	304,000	\$95 million
1978	510,000	\$1,000 million

The population growth over the 1969 - '79 decade stood at 42.6% meaning that approximately 1,500 people were entering Calgary every month. They came to fill the job market. They needed office space. They needed housing. They needed the

atmosphere and the amenities essential for healthy family development in an entirely new setting. Charles S. Lee, an English-born petroleum president and director had arrived in Calgary in 1950. In 1979, he observed, "The atmosphere of titanic change downtown and sprawling growth in the suburbs create what lawyers call 'injurious disaffection.' The building of apartment dwellings, which are proliferating on Calgary's skyline to accommodate those involved by the clearance of old structures, has not proved to be a sociological success in other cities, either. Such a brutal intrusion hits the senses with an almost physical impact and, in a rather paranoid fashion, the growth of Calgary is mentally blamed for the disruption of our beautiful surroundings."

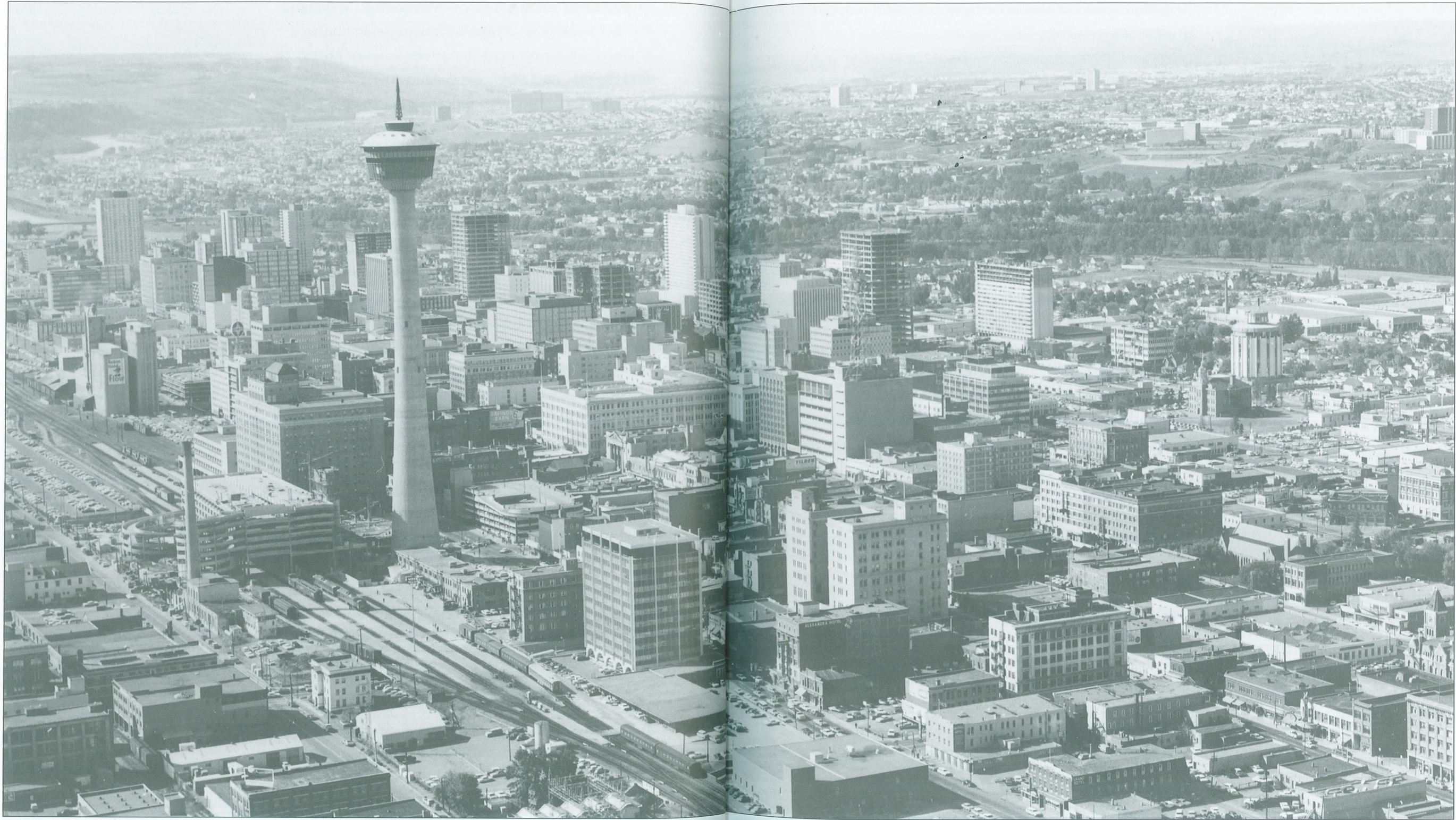
Realtors had to deal with this in the maelstrom of an avalanche of impatient buyers and greedy sellers.

Orlando Campo, deeply involved in Calgary's labor, theatre, and musical scenes for over 20 years said, "The major question we have to ask ourselves is: do we build a Calgary for Calgarians or do we let this new senseless growth continue for people who are yet to come, who will not really care and who, when the boom is over, will leave this city with the hang-over and the bills?"

Realtors had to deal with those materialistic and humanistic factors - those immense physical and philosophical changes. They had to sense the needs, desires and dislikes of men, women, and children who might have been settling here with

*Overleaf: An aerial view of Calgary, (Circa 1969).*

Photo - Hyde Aerial Photography.



deliberately shallow roots, finding us to be foreigners in a Canadian society they had never before encountered, nor maybe even heard of!

Winnipeg-born businessman Harry Cohen observed, "As we move into the year 1979, we look forward to years of challenging opportunities which offer potentials far surpassing the past achievements. Calgary must have the right to grow and expand; we must also have the right to prepare solutions to the problems created by the influx of newcomers to our city, as well as having in mind the welfare of those caught in this change."

Realtors, through their advice based on their own integrity and experience, had to help guide newcomers, identify, test, and assess the opportunities and the adverse effects exerted upon them by their initial encounter with Calgary.

Ron Southern, respected for the global achievements of his ATCO conglomerate and for the international equestrian fame that Spruce Meadows was bringing to Calgary, voiced these observations: "I believe that our civic planners will be wise in the type of city we will create for the future. New Calgarians, arriving from all over the world will bring with them valued contributions to our civic way of life, at the same time recognizing and endorsing the attributes that have made Calgary great in the past."

Career Realtors, knowing the city's established pattern were duty-bound to help newcomer families and firms achieve a "comfortable fit".

J. Wallace Madill, raised on an Alberta wheat farm and dedicated champion of the agricultural scene and its industry looked at Calgary through the eyes of a farm boy. "When I look at the glass and concrete high-rise complex downtown, and think of what once was the beauty of the Bow Valley, I wonder if we have 'missed the boat'. But there will be shifts in the economic base, such as have occurred with agriculture, oil, and finance, new areas of pioneering are emerging in the fields of technology and new knowledge. With growth as rapid as it has been in Calgary, it is not surprising that there have been social costs and growing pains."

Some of those indeed have been rather painful as we now know, and many of them were created by the planners who, with the best of intentions at the time were trying to create a better lifestyle for Calgarians. One of the more vocal critics condemned civic efforts to link suburbanites with the downtown core by a massive multi-lane freeway undertaking. In the opinion of Andres Duany, a Miami-based town planner and prominent critic of this North American tendency as evidenced locally, "Calgary is so far ahead in highway building that you can continue with urban sprawl for the next 20 years."

He believes the "watertight pods" of business, residential, shopping, and institutional enclaves breed auto dependency and alienation of people. His belief is in the pre-war type of neighborhood shelter that provides the full range of living, working, shopping, meeting and playing with friends all within five minutes' walking distance of one another.

Calgary has yet to adopt and adapt that stance but if it does, Realtors will be ready both physically and mentally to deal with new circumstances. Meanwhile they have continued to help firms and their staffs adjust and re-settle within Calgary's far-flung city limits, assisting companies to alter business requirements to new commercial patterns.

As the years of change sped by, February 1981 seemed an appropriate time to assess changes in land values in mid-town Calgary. Just two years earlier construction cost of first class office space was \$40 to \$50 per square foot. By early 1981 it had moved upward to the \$55 to \$60 range. A parcel of prime downtown Calgary property that may have cost \$177 per square foot in 1978 was on the books at \$600 in 1981. With virtually all the mid-Calgary 14.3 million square feet of new office space leased out before completion of the new towers, 1981 indications pointed inevitably to higher rents.

Despite the addition in 1980, to its inventory of 2.3 million square feet of new downtown office space, more than half the Calgary projects scheduled for completion before 1984 already were pre-leased. Businesses wishing to locate there were facing whatever rents building owners wished to charge.

It was a sometimes baffling, but always busy and challenging time for the members of C.R.E.B.

In the mid-1970's, rents for first class office space in Calgary were significantly lower than midtown rental rates in other large Canadian centres such as

Vancouver. By 1980 they were second only to those commanded in Toronto. The rocket-like upward thrust of office towers has always meant the destruction of building of lesser stature and modern meaning. Montreal-born architect Martin Cohos who came to Calgary in 1957, observed in 1981, "We can't lament growth but it is somewhat shocking to see even some of the buildings I designed come down in the face of progress."

Cohos, who ranks this city among the top 20 in North America, said, "Calgary hasn't had time to mature so don't ask it to have the beauty, dignity, and subtlety of an older city." He shared what so many Realtors find relevant to the property dealings they handle when linking the wants and philosophies of the seller and the buyer, "Good design is good manners. Good manners is designing distinctive buildings rather than dominant buildings."

Working among all these new structures and their older neighbors, the Realtors made their own mental adjustments and, with unabated enthusiasm, helped Calgary develop and mature. For those who chose to be specialists in the field of industrial property the path they trod by no means has been smooth. For years, even in the halcyon days of the 1970's when competition for industrial business was not especially fierce, their chief rival was the City of Calgary.

As the main supplier of industrial property the city accumulated a very large land bank and, until recently its policy was not to pay Realtors any sales



*In this 1971 photo of downtown Calgary, Calgary Place can be seen completed while Palliser office tower is nearing completion.*

*Photo by Mathews*

commission except in rare and very special instances. That stance naturally affected incentive. Moreover, it significantly affected a major source of revenue for those who specialized in the buying and selling of commercial properties defined in the profession as existing apartment buildings and other multiple shelter structures, office space, warehouses, factories, as well as the undeveloped sites therefor.

According to one of those C.R.E.B. member specialists, John Toole, the denial of commission on property sales valued at between \$200,000 and \$5 million was discouraging to say the least. It did little to foster cordiality between the realty firms and the city. Any smouldering created by such friction was stoked, during the 1970's and until the mid-1980's, by the eagerness of off-shore investors to pour capital into Calgary's flammable economy.

Substantial investments were being made by individuals and firms based in Britain, France, Germany, Holland, Scandinavia and Pacific Rim countries. Also, a wide assortment of North American manufacturing firms, including a number from Ontario, established branch plants and warehouses in this rapidly-growing city. In order to expand their business, several Calgary real estate firms intensified their signage on marketable commercial properties.

At the same time their salespeople improved their knowledge of those sites and/or structures in order to pinpoint, for prospective clients, the pertinent data such as taxes, the availabilities and capacities of

natural gas, electricity, sewage, garbage removal services, drainage, truck access, rail lines, building placement, zoning regulations, soil and foundation analysis.

Today's commercial pattern has changed considerably and for a very good reason. John Toole is President of the Canadian Chapter of the International Federation of Real Estate. In May, 1992, he attended a congress at which 49 countries were represented. A survey of those delegates revealed that, with the exception of Singapore and Taiwan, there has been a sharp curtailment of overseas investment money. Although in recent months there has been a modest flow of such funds from Hong Kong, the formerly substantial German, Swiss, British, South American and Netherlands investments of 1970's and early 1980's have become very limited due to the general belt-tightening of the 1990's.

All representatives reported to fellow delegates their countries' outlook of cautious optimism towards a business recovery that, once again will include overseas investment. This should constitute a transfusion of liveliness into Calgary's commercial future which, as wiser attitudes and approaches emerge, may spell a new era of business health especially for the city's centre.

Today, 60 per cent of Calgary's downtown occupants are daytime workers in petroleum-related jobs. Realtors will be equal to the job of helping to bring about an improved balance of residential - office - retail shelter which, it is predicted, will help