

Mainstreet moves into B.C.

One of Alberta's biggest landlords says he has seen the future and it is in British Columbia's Lower Mainland.

"We will be betting heavily on B.C.," said **Bob Dhillon**, president and CEO of publicly listed Mainstreet Equities Corp. (MEQ:TSE), which owns more than 2,000 rental apartments in Calgary and Edmonton.

In May, Mainstreet made its first foray in the B.C. Lower Mainland, with the purchase of a 204-unit apartment building in Surrey. Local realtors estimate Mainstreet paid at least \$11 million for the building.

It won't be Mainstreet's last B.C. purchase, Dhillon said, who sees the Lower Mainland as a prime apartment investment environment.

According to Dhillon, a shortage of rental apartments, a low vacancy rate, high housing prices that discourage tenants from becoming owners and a **B.C. Liberal** government that he sees as landlord-friendly, are among the reasons to expect strong investment returns.

"Surrey, for example, has only 5,200 rental apartments, while Edmonton has 75,000," Dhillon said.

Dhillon said the Liberal government is reviewing B.C.'s **Residential Tenancy Act** and he expects changes to be made that will benefit apartment owners. Alberta has no form of rent controls.

Bill Goold of Vancouver's **Re/Max Bill Goold Realty**, who specializes in the B.C. apartment market, said Dhillon's big challenges will be finding enough large rental properties and outbidding other buyers. "The Lower Mainland has mostly small apartment blocks, so he may have trouble with economy of scale. And there are a lot of apartment investors already in this market."

Dhillon agreed the Lower Mainland is competitive. But, he noted, "If there is no competition, there is no money."

There are also rumours that **Boardwalk Equities**, Alberta's largest landlord and Mainstreet's main competitor, is also shopping for Lower Mainland apartment property.



Bob Dhillon, Mainstreet Equities president and CEO, targetting B.C.'s Lower Mainland

Photo: Kevin Udani