

Environmentally friendly housing

How green is your condo?

If you've bought at the Pomaria, a 138-residence under construction downtown by developer Qualex-Landmark, between the Burrard and Granville bridges, the answer is: Pretty green. Among the features:

- Improved ventilation for more frequently circulated fresh air.
- Selection of healthy interior finishing materials.
- Construction air quality management plan.
- Opportunities for natural cross-ventilation.
- Carbon monoxide monitoring.
- Improved envelope efficiency to decrease heat loss and gain.
- Geothermal ground-source heat pump system that provides energy for heating, cooling and hot water.
- Heating and hot water systems that make energy consumption as efficient as possible.
- Energy-efficient light fixtures and systems.
- Water- and energy-efficient front-loading washing machines.
- Dual flush toilets which reduce water use by over 30 per cent.
- Natural landscaping that requires less water.
- High-efficiency irrigation system for landscaping.

Source: Qualex-Landmark



A computer-generated rendering of the Pacific Street elevation of the Pomaria residential tower.

Energy-efficient condos a high priority for Canadians in urban centres

90 per cent of Canadians surveyed want 'green' condominiums

BY FIONA ANDERSON
VANCOUVER SUN

Ninety per cent of Canadians living in major urban centres want to buy condominiums that are energy efficient, according to a survey conducted on behalf of TD Canada Trust.

Forty-five per cent of respondents in the on-line survey — which was carried out by Ipsos Reid and questioned 725 adults in Vancouver, Calgary, Toronto, Montreal and Halifax — said living in an "environmentally friendly, energy-efficient building" was very important while another 45 per cent said it was somewhat important.

Robert Drew, an architect with Busby Perkins+Will Architects in Vancouver said the finding was consistent with the message his company is getting from its clients.

"Underlying this is a young demographic out there buying condos and they're educated, they're informed [and] they know that the environment is critical as an issue right now," Drew said. "And that's informing how they are choosing to live."

There is also the older demographic who are downsizing and need to know the condo they are buying isn't going to drain their monthly income through high energy costs, he said.

The survey found the importance of energy-efficiency increased with age, with 50 per cent of those 55 and older citing it as very important.

Jennifer Podmore, managing partner of MPC Intelligence which advises developers on consumer needs, said energy-efficient condominiums have become much more topical recently.

A lot of people are realizing how easy

it is to have a more energy-efficient condo and with that realization there is more pressure on developers to deliver them, Podmore said.

"[But] the one thing we are finding is not many people are willing to spend a lot more to have a greener condo," Podmore said.

So the key is finding ways to make an apartment more environmentally friendly — without making it more expensive — by cutting down on common-use areas such as lobbies and swimming pools that take a lot of energy to main-

Underlying this is a young demographic out there buying condos and they're educated, they're informed and they know that the environment is critical as an issue right now.

ROBERT DREW
Vancouver architect

"The less common space the less waste," Podmore said.

Developers are also putting in gas stoves and heating, energy-efficient light bulbs and water-efficient toilets, some of which add to the price of the condo but will pay back in reduced monthly expenses over time, Podmore said.

Qualex-Landmark Group of Companies found that higher prices didn't scare buyers away from their Pomaria project, which is aiming to be one of the first res-

idential towers in Canada to get silver certification under LEED, an American rating system that stands for Leadership in Energy and Environmental Design.

Getting LEED certification, which won't happen until the building is completed this summer, required Qualex to do a number of things, including recycling parts of buildings that were torn down to clear the site for the new development, and keeping down dust during building. The building also had to use LEED-certified materials right down to the carpets and cabinets, Qualex's vice-president of sales and marketing, Chris Colbeck said.

That added about three to four per cent to the construction costs "which obviously translates into sale price," Colbeck said.

But Pomaria was aimed at sophisticated buyers who were looking for something special, he said.

"First of all they liked the product. Second of all they liked the fact that it was a sustainable building."

The TD survey also found Vancouver had the highest number of respondents (50 per cent) who were willing to buy a condominium as their principal residence. Sixty-two per cent of Calgarians and 57 per cent of Torontonians were against the idea. Thirty-four per cent of Vancouver respondents could see themselves raising a family in a condo, compared to 29 per cent country-wide.

Vancouverites were also most likely (84 per cent compared to a survey average of 79 per cent) to walk away from a condominium that didn't have a parking space. Yet 81 per cent of Vancouver respondents (above the national average of 80 per cent) said the condo needed to be near public transit.

fionaanderson@png.canwest.com

Avcorp reports turnaround

AEROSPACE | Company chairman credits improvements in efficiencies, operations

BY JOANNE LEE-YOUNG
VANCOUVER SUN

Delta-based Avcorp Industries announced a dramatic increase of more than \$15 million in net annual income on Wednesday.

In 2005, it reported a loss of \$14.3 million.

In describing the return to profitability with net income of \$1.4 million in 2006, chairman Michael Scholz said: "Some of it is coming from a strengthening of the balance sheet, but most of it is coming from improved efficiencies and operations, [leading to] full rates of production. That is the key."

Avcorp, a locally grown aerospace company, designs and builds major airframe structures for companies including Boeing, Bombardier and Cessna.

When it takes on new projects for each of these companies, there is a significant learning period that can temporarily reduce efficiency and profits, said Scholz.

"You have all the costs of the initial start-up, training and a ramp-up in volume. I like to use the analogy of [putting together] an Ikea desk. Every time I go buy one of those things, and I get the instructions in seven different languages, it takes me six hours to do it. [But] after I have done the second or third desk, I am pretty good at it and so on."

Earlier this week, the company also announced that it will supply wing assemblies for Greensboro-based Honda Aircraft Company's new plane, the HondaJet. Again, financial gains from this deal will take some time to realize, said Scholz.

"We are doing eight wing assemblies for their plane prototype stage. They won't be starting production until probably 2010 and when they do start, it will take them a while to ramp up to full production."

Once they get going, it is anticipated that Avcorp will supply 75

Avcorp gains altitude

The Delta-based aerospace company made a major course correction in 2006.

■ Net income increased more than \$15 million from a loss in 2005 to \$1.4 million in 2006.

■ EBITDA increased more than \$12 million over 2005 to \$7 million.

■ Revenue increased 31 per cent over previous year.

■ Order backlog increased \$69 million on existing contracts.

■ Debt decreased by \$9 million during 2006.

Source: Avcorp

to 80 planes a year for Honda; however, "it's more expensive doing first 10 or 20 or 30 of those than it is doing the 110th," said Scholz.

The time each project takes to hit a profitable stride varies, but as a rule of thumb, "if you are doing 60 planes a year over eight years for almost 500 [wing assemblies] sets, we don't look to getting to maximum peak operating efficiency until we get into 100 to 150 sets," which, Scholz added, can take a year and a half.

Scholz said the company "went through a fair amount of pain in 2005 in refocusing the business, both in restructuring debt and dealing with volumes and getting capital to buy the equipment necessary to improve efficiency. . . . As a result of that, it was profitable every quarter last year. It was not to the level, in my opinion, that it should be, but it was a dramatic turnaround from 2005."

Avcorp trades on the TSX. It closed up almost three per cent to \$2.47 on Wednesday.

jlee-young@png.canwest.com

Court upholds Alcan's power use

BY SCOTT SIMPSON
VANCOUVER SUN

ELECTRICITY | Kitimat's bid to stop Alcan from selling power in lieu of making aluminum was rejected Wednesday by B.C. Supreme Court.

There is nothing either in provincial legislation or the global aluminum giant's contract with B.C. restricting it to using electricity from its Kemano power station for aluminum smelting, Chief Justice Donald Brenner ruled in a case brought by Kitimat against the province.

The decision was applauded by Economic Development Minister Colin Hansen, who is optimistic it will enable Alcan to put back on track its plans for a \$2-billion upgrade to its Kitimat smelter.

The ruling has no impact on a separate dispute now before the B.C. Utilities Commission, which last December rejected a proposed power sales deal between Alcan and BC Hydro because it is not in the public's interest.

BC Hydro announced in January it has filed an appeal with the utilities commission on the premise that it "represents a sound market-based contract that provides a firm supply of power to help meet the growing demand for electricity in B.C."

The City of Kitimat is also participating in the BCUC proceeding.

Hansen said in an interview the Court decision resolves a lot of uncertainty around Alcan's plans to undertake a major upgrade of its smelter.

Alcan officials and Premier Gordon Campbell had announced in August a \$2-billion renewed deal with Alcan that included power sales to BC Hydro. That deal appeared to founder after the power sales component of it was rejected in the BCUC ruling.

Hansen believes the government and Alcan can put the smelter deal back on track now that it's clear Alcan has the authority to manage its own power production.

"I think it's an opportunity for us to put that question behind us and everybody figure out how to move forward," Hansen said. "Alcan has provided a pretty

dynamic economic environment to the Kitimat Valley and the whole northwest for 50 years and they're quite prepared to provide that kind of stability for the next 35 years. But everybody needs to sit down together and figure out how we get there."

He said in clarifying Alcan's right to sell power, "whether it's to BC Hydro or someone else," the decision should also assist Hydro's efforts to reach a power sales deal with Alcan.

"I think now that question has been answered by the courts, it should allow everybody to move forward faster to come up with an arrangement between Alcan and Hydro that everybody can feel comfortable with."

In the Supreme Court case, Brenner decided that neither B.C.'s Industrial Development Act, nor the original 1950 power sales agreement between Alcan and the province, restrict Alcan in the decisions it chooses to make with respect to its production of either electricity, or aluminum.

"There is nothing in either instrument that would require Alcan to maintain any specific production level at the Kitimat smelter," Brenner said in a written decision.

"Alcan is not restricted by either instrument from selling its Kemano power or using it for the Kitimat smelter as it considers appropriate."

Kitimat filed its action in January 2004 as part of a long-running and sometimes bitter effort to maintain the largest possible workforce at the city's main employer. Kitimat is worried Alcan will trim more jobs and instead chase ever-increasing profits from hydroelectric sales — a situation that has become increasingly attractive as the provincial government intensifies its commitment to renewable energy sources.

Kitimat had sought the court's support to compel the B.C. government to force Alcan to use its local power supply for aluminum production, based on Kitimat's interpretation of the company's original 1950 deal to dam the Nechako River and create a source of power for a smelter.

simspon@png.canwest.com