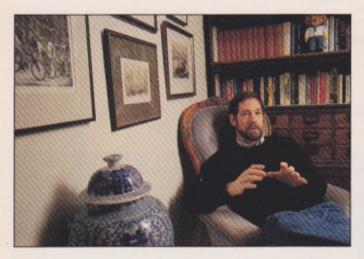


free enterprise. Designer knock-offs, gold jewellery, toys-you name it and someone in Hong Kong is probably selling it with a passion like nowhere else on earth. In the heady commercial atmosphere of Hong Kong, money often seems to be everyone's religion.



UBC economist Michael Goldberg says he doesn't mind foreigners owning Canadian real estate. "We get their cash and we also get to keep the asset. With real estate the product has to be controlled locally. And it can't be moved.

But the future of Hong Kong is uncertain. A lease signed between Britain and China expires in June of 1997, and many business people are moving their fortunes and their families out of Hong Kong before the Communists move in. Owning land in Canada has become an important form of business and personal insurance for a growing number of nervous Hong Kong investors and entrepreneurs.

Since 1970, Hong Kong investors and immigrants have pumped upwards of two billion dollars into the Greater Vancouver real estate market. Exact figures are difficult to come by. But it is known that Hong Kong investors are playing an ever- increasing role in local real estate transactions. Entire city blocks have been purchased by investors eager to diversify their holdings in the Orient. Shopping malls, hotels, apartment buildings, office towers and large homes have become magnets for Hong Kong cash.

In Chinatown, land values have soared dramatically in recent years. According to Christine Leung, a sales manager for Block Brothers, commercial real estate is very hot in Chinatown. And very expensive. Most of the business is word of mouth. Buyers can expect to pay upwards of a million dollars for "an old junker with 25 feet of frontage."

The influence of Hong Kong money is not restricted to Chinatown. Asian investors currently own between five and ten per cent of the downtown core, with the bulk of investment coming from Hong

For example, with the exception of one small lot, the entire 1900 block of West Georgia is owned by Runvee Georgia Properties Ltd., a Canadian holding company controlled by Hong Kong investors. Just up the street, the 1400 block of West Georgia, which includes the Georgian Towers and a parking lot, is owned by members of the Hui family from Hong Kong. Described as low-key and publicity-shy, this wealthy family also owns Park Georgia Realty Ltd., and the Park Georgia Property Group.

Much of Robson Street, including designer row and the trendy Robson Galleria, is owned by offshore Chinese, mostly from Hong Kong. Among the buyers have been men like S. H. Sung, a wealthy Hong Kong manufacturer with a passion for Rolls-Royce automobiles and corner lots in prime areas of the city. Local real estate people call him "Corner Sung." Others include Laurent Lam and Rolland Kwok. One of their companies, Howe Management Ltd., controls a number of properties along Robsonstrasse, and most of the commercial facelift that Robson Street has undergone in recent years has been paid for by money from Hong Kong.

Hong Kong investors have also purchased a string of apartment blocks along Beach Avenue, including Martello Tower, Sunset Plaza, Surfside, Berwick House, The Huntington, Huntington West, and the Oceanaire.

The Burrard Building, an office complex at the corner of Burrard and Georgia, changed hands in November, and the Hong Kong family that bought it just recently made the move to Canada. Like so many other wealthy Hong Kong residents who are moving to Vancouver, the new owners of the Burrard Building shun publicity. They do not want to advertise either their wealth or their holdings.

The Holiday Inn Harbourside was sold last year to the New World Group of Hong Kong for an estimated \$30-million. The previous owner also had strong financial ties with Hong Kong.

The Lau family of Hong Kong, through a company called Golden Properties Ltd., counts among its holdings the Coopers and Lybrand building and the old Board of Trade tower in the 1100 block of West Hastings. Architect and builder Geoffrey Lau rides shotgun over the family's real estate holdings in Canada, which in 1987 were said to be valued at \$100-million.

The Sandman Inn on Howe Street was purchased by a trio of Hong Kong investors last year and is now known as the Royal Garden. These same investors, through a company called Allied Holdings Ltd., own an entire downtown block of Pender Street, as well as the T.D. Bank redevelopment project on West Hastings. That project, complete with luxury hotel and skyscraper, will transform the entire block and redefine Vancouver's skyline. The principals of the company are Hong Kong heavyweights, K.K. Wong, Peter Eng, and Edward Woo. All three men are said to have family connections in Vancouver.

Elsewhere the story is much the same. Scores of small apartment buildings, retail stores, and other commercial properties have been sold to buyers from Hong Kong. High-rollers like Hong Kong billionaire Li Ka-shing may generate headlines with their forays into Canadian banking, energy, and real estate, but behind the scenes, smaller investors and entrepreneurs are buying into Vancouver in a big way.

Andrea Eng is a realtor with the firm of Colliers, Macaulay, Nicolls Inc. and president of the Vancouver chapter of the Hong Kong-Canada Business Association.

In 1987, Ms. Eng sold \$40-million worth of commercial real estate to buyers from Hong Kong. She expects to do even better this year. "A typical Hong Kong buyer," says Eng, "has between two and seven million dollars to invest in Vancouver real estate. And there are lots of those guys."

According to economist Michael Goldberg, the author of a landmark study of Chinese investment patterns in Canada, there are hundreds, perhaps even a couple of thousand, extremely wealthy families in Hong Kong. A typical family in this category would control hundreds of millions of dollars. But there is also a growing middle class. These are families with a net worth between \$5 and \$15 million and they number in the tens of thousands.

Eng says that many of the smaller, offshore investors who are getting involved in the Vancouver real estate market downplay their assets. "Some of these smaller investors will tell you that they only have \$1 or \$2-million to invest. But often, during the course of negotiations, you discover that their pockets are much deeper, and a property deal involving \$2 to \$7-million or even \$10million is not out of their reach."

In the past, most Hong Kong investors were content to buy fullydeveloped property and collect rents. Apartment blocks and retail stores were seen as safe, low-risk investments. But now more and more Chinese buyers are building from the ground up. "Until the early '80s," says Eng, "most investors were passive. Now we're starting to see a wave of developers."

Broadway Plaza, at 601 West Broadway, was one of the first big Hong Kong development projects in Vancouver. The Plaza was built by the Yip family, who also have connections with casino trade

in Macao, where gambling is legal.

Nelson Square, owned by Block 81 Holdings Ltd., and the office tower at 1010 Howe, which is owned by Howe Management, were both developed with Hong Kong money. Alberni Place, a luxury condominium project in the West End is another example of Hong Kong capital at work in Vancouver. Allied Holdings Ltd. bankrolled

that project. And there are many more.

In 1984 the Sydney Leong Syndicate, headed by principal Sydney Leong, a prominent Hong Kong lawyer whose sons and daughters live in Canada, bought Lansdowne Mall in Richmond for a cool \$85-million. The move to the suburbs was on. In Hong Kong "newer is better" and many immigrants and investors are drawn to Richmond by relatively cheap land prices and the opportunity to own new buildings without having to pay "downtown" prices.

Ten per cent of the estimated 130,000 Chinese-speaking residents of Greater Vancouver now live in the Richmond area. A number of major construction projects, bankrolled by Hong Kong developers, are currently underway. One project in particular, a 30,000 square foot shopping and retail centre on Westminster Highway, is expected to become the focus of a "new Chinatown" in the Richmond area. Known as the "Johnson Centre," the complex

is owned by Shun Cheong Holdings (B.C.) Ltd.

In many ways, the Choi family is typical of the wealthy migration from Hong Kong. K.Y. Choi and his son, Jonathon, moved to Vancouver about three years ago and today run part of an international seafood company from their headquarters in Chinatown. Their company, the Sun Wah Group, has branch operations in Hong Kong, Macao, New York, Sydney, Singapore, Winnipeg and Vancouver. Over the years the family has invested millions of dollars in Vancouver—almost all of it in Chinatown real estate. Through one of their companies, Wah Loong Developments Inc., the Choi family is building an eight-storey shopping centre on Keefer Street at a cost of \$15-million.

In general, most Hong Kong developers bring large amounts of cash into the country. Because they often lack established credit ratings in this country, many do their borrowing offshore. Andrea Eng says the local business culture sometimes has workings with Hong Kong investors. "Most Canadians don't know how to deal with these people," she says. Eng cites the case of an extremely wealthy Hong Kong businessman who recently went to a Canadian lending institution for a large construction loan and mortgage. He filled out an application form—something he would never have to do in Hong Kong. This same gentleman was later told by a junior mortgage officer that the lending company would not accept "application forms in pencil," at which point the unnamed Hong Kong developer ripped up the offending form and took his business elsewhere.

James Cheng is a Vancouver architect who has designed many award-winning homes and commercial buildings for Hong Kong investors and immigrants. He is a rising star in the world of Canadian architecture, and recent designs include a lavish, multi-million dollar home for real estate tycoon, Geoffrey Lau, at 1070 West 53rd. Cheng says his Hong Kong clientele is changing.

"When I started out about ten years ago, it was usually a retired person who would commission a house. The people who are coming over now are in their 30s and 40s and in the prime of their business careers. The only reason for them to be here is the future of their children. These are people who come over, put their kids in

the best schools, but they, themselves, stay in Hong Kong and commute back and forth."

Shelley Lederman is one of the golden girls of the local real estate scene. During the first four months of 1987, the effervescent Lederman sold \$6.5-million worth of residential real estate. Now the manager of a Royal LePage office in Kerrisdale, she says the wealthy exodus from Hong Kong is growing. Wives and children are being sent to Canada while the head of the household continues to do business in the Orient. She cites the example of a young businessman from Hong Kong who recently paid over a million dollars for a "family home" on Southwest Marine Drive. While he soldiers on in the money markets of Hong Kong, his wife and children have taken up residence in Canada.

James Cheng says it's a common pattern. "The cycle works like this. They land and then they buy something quick... like a builder's special. Often the mother and kids do the house hunting and the father may fly over at the last minute to

A sign of the times in the heart of Kerrisdale is this board at the Li Pol Lau Seafood restaurant at 41 st and Granville giving the latest quates from the Hong Kong Stack Exchange.



give his blessing. But usually the father is too busy with business in Hong Kong."

Finding a secure future for the family is one of the main reasons why so many Hong Kong businessmen are coming to Vancouver. Canada is considered a safe