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Gillespie to unveil Fairmont Pacific Rim

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Hotel-condo tower latest project for developer who is reshaping Vancouver's skyline and building towers that will define the city

At the corner of Cordova and Burrard, a one-line poem by British artist Liam Gillick wraps the facade of the new Fairmont Pacific Rim. The 60-centimetre-tall steel letters repeat for 17 storeys: "lying on top of a building the clouds looked no nearer than when I was lying on the street."

Inside, a few weeks before Friday's opening, construction workers buzzed through the hotel lobby, working on final touches. A marble staircase, the stone quarried in Italy and cut in China, was sheathed in a protective yellow coating. Around the corner, a trolley carrying mirrors rolled through what will be a café/bakery/library/gift shop, the walls adorned with dark American walnut.

With the Winter Olympics just a week away, Ian Gillespie is poised to unveil his latest creation, the \$450-million luxury hotel-condominium tower on Vancouver's harbour.

The 48-year-old developer is among Canada's most original builders, blending daring design with development savvy while focusing on commercial success. "People can build a fantastic building and lose money. It has to make financial sense. Otherwise it's cheating," Mr. Gillespie said. "We put soul in. We build Ferraris."

Mr. Gillespie, president of privately held Westbank Holdings Ltd., makes big bets in an industry where names and fortunes are slowly built, but can collapse quickly. Westbank and regular partner Ben Yeung of Vancouver's Peterson Investment Group Inc. are behind some of Canada's most ambitious developments, including Vancouver's \$350-million Shangri-La hotel-condo, the city's tallest building, and the \$450-million Shangri-La under construction in Toronto, which will feature a \$3-million piece by Chinese artist Zhang Huan.

At the Fairmont, the public art goes beyond the poem: part of another side of the building shimmers in stainless steel, punctuated by 166,333 circles of varying sizes and accentuated by 75,385 bumps and dimples. Step back, and an image of the local rain forest emerges.

"Not every developer would be so adventurous," said James Cheng, the Fairmont's 62-year-old architect, a protégé of Arthur Erickson and one of the best-known leaders of Vancouverism - a style of architecture and urban philosophy that is all about density and design, the interplay between light and glass, sea and sky, streets and buildings.

Westbank grapples with the dual challenge of selling high-end real estate and relying on long-term revenue from its hotel customers, such as Fairmont and Shangri-La, aiming to establish five-star businesses in a country where ultra high-priced hotel rooms aren't all that common.

A year ago, hotel financing was "a disaster," said Bill Stone, executive managing director at broker Colliers International Hotels in Toronto. It remains challenging, but he sees a long-term demand for the top-end market in large cities.

Westbank made it through the financial crisis partly by using modest leverage, as property prices in Vancouver and Toronto managed to avoid the dramatic plunges seen in other countries. The company also had supportive lenders, led by HSBC Bank Canada and the Caisse de dépôt et placement du Québec. When Westbank began its

rise in the early 1990s it had heavyweight financial backing from Robert Kuok, Malaysia's richest person.

But high-end development isn't an easy win: Plans by others to build Shangri-La projects in New York and Chicago failed, broken by the recession.

In Vancouver, Mr. Gillespie and Mr. Cheng have reimagined the city's once-drab skyline, building towers that become instant icons and will define the city this month for the hundreds of thousands of visitors, and hundreds of millions of television viewers, during the Winter Olympics.

Mr. Gillespie, who was raised in the Vancouver suburb of Port Coquitlam, was a track star in the 800 metres and almost made it to the Olympics himself in 1984. He earned his MBA at the University of Toronto and returned to the real estate business in Vancouver.

He was barely 30 years old when he started Westbank and established a relationship with Abbey Woods Development Ltd., the Canadian branch of Mr. Kuok's sprawling empire. With a string of suburban shopping malls anchored by grocery stores in development, Mr. Gillespie met Mr. Cheng, which sparked Westbank's evolution.

"My background, shopping centres, wasn't terribly aesthetically or intellectually rewarding," Mr. Gillespie recalled. "I was looking for a challenge and Jim offered an education."

Fully established in Vancouver, the challenge of building in Canada's biggest city excites Mr. Gillespie. The Toronto Shangri-La is another mixed-use building, a hotel-condo, a strategy that Westbank and Peterson believe is the future of urban development in North America.

"What we're going to put up is going to blow Toronto away - it's going to light it up," Mr. Gillespie said. "The reality is most of the other guys don't get it and they never will. If you look around at a lot of the [buildings] that gets built, it's really sad."

Situated on Toronto's broad University Avenue, the 66-storey Shangri-La is about to rise from the ground, with completion set for 2012. Advertised as "A World Address," it will be Toronto's tallest residential building. Most of the 352 units have been sold; prices ranged from \$850,000 to \$16.9-million penthouses.

"If people didn't know about him before in Toronto, they'll know about him now. It's only going to get bigger. He understands who he is selling to. You walk into the Shangri-La in Vancouver, it's frankly unlike anything else in the city," Mr. Stone of Colliers said.

Westbank has also built projects in Victoria, Edmonton and Dallas, and a \$310-million Calgary hotel-condo is in the works. The company is busy securing a second site in Toronto, working on several new ideas in Vancouver and is looking at prospects in the United States.

"We have the highest regard for Ian," said Jim Pattison, Canada's fourth-richest man, who worked with Mr. Gillespie on the shopping malls, putting in the grocery stores that served as anchor tenants. Most recently, Mr. Pattison put a store in the \$375-million Woodward's project, which converted a former Vancouver department store in the city's run-down Downtown Eastside into an elaborate mixed-use facility - condos and social housing, commercial space and university art school.

"He's creative, innovative," Mr. Pattison said. "He's not a traditional thinker."

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