

## PROPERTY DISPUTE

**Parking lot source of suit against Ritz-Carlton developers**

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A landmark Ritz-Carlton tower that developers have billed as "changing Vancouver's skyline forever" is embroiled in a dispute involving the less-glamorous underpinnings of the project - the parking garage.

In a suit filed last month in the Supreme Court of British Columbia, owners of a building at 1185 West Georgia St., directly west of the construction site for the more than \$500-million Ritz-Carlton project, claim developer Holborn Group trespassed on their property to expand an underground parking structure.

"The defendants have deliberately trespassed and encroached upon the plaintiffs' property in order to save the cost and expense of other systems for reinforcing the excavation," the lawsuit claims.

As a result, their own building may suffer a "loss of structural integrity" and a decline in value, the plaintiffs claim.

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The plaintiffs - two Ontario companies, including the publicly traded Canadian Real Estate Investment Trust - are seeking an injunction that would prohibit the defendants from trespassing, as well as force the builders to remove anchor rods, rebar and other structures from the plaintiffs' property. The plaintiffs are also seeking damages and costs.

The suit was filed Oct. 22, a few days after Vancouver-based Holborn abruptly halted construction and closed a sales office for the Ritz-Carlton project, a 56-storey tower at 1133 West Georgia.

The Ritz-Carlton freeze happened after other real-estate projects in the Lower Mainland had run into financial problems, and resulted in speculation that Holborn had run out of money or was struggling to sell pricey condominiums.

Simon Lim, president of Holborn, was not available yesterday. But he has previously said construction has been suspended to allow for a redesign of the parking garage.

Designs for the project call for a luxurious hotel topped by condos that, according to the project's website, would sell for \$2.3-million to \$10.8-million.

Renowned architect Arthur Erickson came up with an attention-grabbing twist design, and the building would offer sweeping views.

The site has a troubled past. Two previous redevelopment proposals ran into difficulties and were scrapped.

By 2007, when Ritz-Carlton agreed to lend its name to the project, the site had been a boarded-up shell for years.

The lawsuit suggests that relations between the newcomer and its neighbour have been less than cordial for some time.

Before construction started last year, the parties talked about forming an agreement that would have allowed the builders to encroach on their neighbour's property during construction.

But the two sides couldn't hammer out the terms.

Since then, the suit maintains, the defendants went ahead with activities on the plaintiffs' property, such as inserting anchor rods and placing rebar for the underground parking structure.

The building at 1185 West Georgia is fully leased by tenants that include a health club.

Yesterday afternoon, three giant excavating machines, their shovels still, were parked at the bottom of the hole that is to be the base of the Ritz-Carlton project.

There was no sign of workers at the site.

The project is across the street from the site of the 61-storey Shangri-La Hotel, which is expected to open early next year.

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