

Polytopic News

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Flowers, March 2006

Spring Recycling

Alan and KC

Springtime has been unusually swift for us this year; spring is nearly over and we are still working our way through the list of odd jobs and important tasks.

We've had a large number of our tenants move in the last two months, keeping us very busy with much needed minor suite repairs and small improvements.

Minor Upgrades

There are a few minor upgrades beyond the usual minor cosmetics, that are easy and economical. We have recently replaced the carpet in one of our units with a good looking, hard wearing berber-style carpeting that hopefully won't date itself quite like the green shag forrest it was replacing. Those of you who knew us a few years back may recall our insistence that we "don't do toilets", but we can now claim that this is no longer true; KC replaced a toilet that I managed to damage while doing some unrelated chores in the bathroom. Turns out linoleum tiles are quite easy to lay but a little time consuming.

Watch out for the rolling though - this is an essential step to prevent the adhesive from lifting, just take care not to hit anything with the roller (see toilet repair above).

Tackling the Garage

Nothing is safe in the spring and our poor neglected, accumulating garage needed a little attention before we could hold our garage sale. A large round of reorganizing ensued, but I think the garage can still use some extra attention, I only know of a few odd folks who have neat, organized garages; we are not quite yet one of them. ☺

Taxing Dilemma

Alan and KC

This season we were faced with an unexpectedly large tax bill and unsure how best to mitigate or eliminate its effects. It certainly was not a straightforward problem. We don't operate our investments under an incorporated entity we have limited access to deductions; and these deductions can only offset the direct income from the investments (they cannot reduce my employment income for example). Consequentially, one of the only options we had for reducing the tax owing was to make a sizable RRSP contribution.

Assuming we have a particular amount of capital available for making an RRSP eligible investment, what other options do we have? Well, since each tax-bill dollar due requires three to four dollars

of RRSP investment to neutralize it (this is related to your marginal effective tax rate which for most middle-class Canadians is in the 33 - 39% range). We could just pay the tax bill and use the left-over capital in a non-eligible investment. What sorts of investments would make sense here? Well that's a very personal decision and relates directly to what your situation and experiences are. Our current experiences are in (as you might guess) real estate, so we will be looking, at least in part, for another residential development or possibly another real estate opportunity. Other possibilities include diversification into the equities markets but our current comfort zone is clearly in the real estate arena. ☺

Core Attraction

Alan

There has been a lot of noise lately about "Urban Renewal" or more recently and perhaps more accurately "Community Planning". Calgary is no stranger to this with new development in recent years in the Currie Barracks area (now Garrison Woods), the former General Hospital site (Bridgeland) and parts of the Downtown East Village - all have undergone substantial redevelopment. Each area has it's own appeal and you will find people of very different backgrounds and desires are drawn to each neighborhood. This phenomena is not unique to Calgary. Vancouver

ver, a long-time poster-child for redevelopment in Canada has undertaken some intense projects, including extensive work redeveloping sections of the south side of downtown in the Seymour district. Many nightclubs and noisy light-industrial tenants have moved on as their venues were sold, demolished and reborn as skyward-bound luxury condos. In most cases, the upper and larger units in these buildings commanded a pricey premium, frequently reaching into the millions. The latest smash success (from the salesman's point of view) is the redevelopment of the old Woodward's building on the notorious downtown east side. Time will tell if this sold-out project turns into a dream or a foggy morning after experience, but buyers were bullish on the prospects for making over the down-trodden neighborhood. I like the idea of a loft in the Woodward's building and clearly I'm not alone; the entire project sold out on opening day in around 8 hours. Preserving a piece of Canada's history and living in the heart of a majestic city sounds like a slice of a good thing.

Calgary's downtown East Village is slower to redevelop, but there are a few urban modernization projects either underway or already completed. If you have a chance to check out the Orange lofts you will see what our East Village could offer on it's transition plan. More information on East Village Area Redevelopment Plan planning is available on the [City of Calgary's web site](#) [1].

Calgary Rental Market

Alan

Recent predictions from the Calgary Economic Development Board indicate that rental vacancy is expected to drop below 1% in the next 60 days. There appears to be consensus that this will result in rental-rate increases for the

first time in 2-years in the Calgary marketplace. Rents are expected to rise on average 10% as the city's 60,000 rental units struggle to keep up with growing demand. Inner city vacancy is expected to lower even further as more older homes (with rental suites) are being sold to developers to build larger in-fill homes.

Travel Postcards

Alan

February was spent, for the most part in its entirety in California participating in some internal company meetings. March was much the same but thankfully I spent some time at home (much needed and long overdue) to recharge my batteries and family before heading to a [SIP interoperability test event](#) [2] in Tokyo. Tokyo is an amazing city; a city in 3-dimensions as some of my travel companions point out; you have to 'look up and down' to see everything. Shops on the 2nd through 7th floors in some cases completely independent from the ground floor tenant. The amazing [Tsukiji Fish Market](#) [3] was the one early morning trip I could squeeze in



Preparation of Fresh Tuna, Tsukiji Fish Market, Tokyo, Japan

Photo: Alan

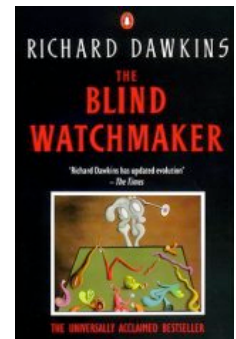
while keeping my hectic work schedule. Over 6 billion US dollars of fish are sold at the market annually, typically at auction. My suspicion is that tuna makes up the vast majority of the revenue since the tuna auctions (fresh tuna

around 0430 and frozen around 0530) are early, daily and insanely busy. There are seven wholesalers that control almost all the tuna sales at the market. Most tuna is frozen at sea for the long journey to market, but thanks to its unique location, Tsukiji buyers can purchase fresh tuna for the high end sushi and sashimi markets. A collection of my photographs from this trip are available in my [photo gallery](#) [4].

Now Reading

Alan

I picked up a copy of Richard Dawkins' "The Blind Watchmaker" which is quite a work of advocacy. Dawkins energetic writing opens the reader to the inevitable series of conclusions surrounding evolutionary theory in a brilliant and effusive manner. An easy and fascinating discourse; one that I recommend.



- ◆ **TITLE:** The Blind Watchmaker
- ◆ **AUTHOR:** Richard Dawkins
- ◆ **PUBLISHED BY:** Longman Sci. &Tech.
- ◆ **ISBN:** 0582446945



Newsletter Update

Alan

February and March have been impossibly filled with activity for us and we regret not publishing volume 2 numbers 2 and 3 of our newsletter in those months. Expect more regular news and ideas in the coming months. ☺

New Extended Family

KC and Alan

Our house has grown a little more complete and a lot more family oriented over the last month with the arrival of my sister-in-law and our new niece. Virginia is happy and healthy and a welcome addition to our home. Mom and Virginia are doing very well.



Our New Niece, Virginia at one week old.

Photo: Alan

Links

Alan

- [1] East Village ARP
<http://polyphase.ca/link/200604/1>
- [2] SIPit - Test Events for SIP
<http://polyphase.ca/link/200604/2>
- [3] Tsukiji Fish Market on Wikipedia
<http://polyphase.ca/link/200604/3>
- [4] Polyphase Tokyo Gallery
<http://polyphase.ca/link/200604/4>

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