

Condos slated for Portage Ave.

Saskatoon company buys building

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By Murray McNeill

Converting a symbol of urban decay

Here is a brief history of the Avenue Building, which has been described as one of the most redevelopment-resistant buildings in downtown Winnipeg and a symbol of downtown decay:

■ Built in 1904 on the north side of Portage Avenue midway between Smith and Garry streets. Original construction cost was \$31,000. Its heritage features include a six-storey staircase, a large skylight, tin ceilings, marble interior walls, oak woodwork and terrazzo floors.

■ For many years it was a bustling commercial block, and over the years housed variety of businesses, including a furrier and a shoe store. Most of the space on the top five floors was rented out as office space.

■ The building has been vacant and boarded up for much of the past decade after its last two main-floor tenants — Dunn Jewellers and Dominion News — moved out.

■ Winnipeg lawyer Leo Cholakis purchased the building about eight years ago with the intention of redeveloping it. But it never happened.

■ CentreVenture purchased the building from Cholakis in late 2006 and began looking for a private investor to redevelop it.

■ In August 2007, A.S.H. Management Group announced it was purchasing the building for \$600,000 and would be spending \$10 million to redevelop it as a "green" office building. But the deal was conditional on A.S.H. finding an anchor tenant, and it couldn't find one.

■ CentreVenture confirms Monday that Saskatoon-based Kingdom Ventures Corporation, has agreed to buy the building, and that the deal is expected to close next month. Kingdom said it plans to spend an undisclosed sum to redevelop the building, with parking and retail space on the main floor, office space on the second floor, and 24 executive condos, ranging in size from 550 to 1,850 square feet, on the top four floors. The condos would be priced at \$200,000 and up.

AN out-of-province saviour may have been found for one of the leading symbols of downtown decay — the Avenue Building on Portage Avenue.

A Saskatoon developer — Kingdom Ventures Corp. — has reached a tentative deal to buy the long-vacant Portage Avenue office building for approximately \$600,000.

Kingdom co-owner David Johnston said the deal should be complete by the middle of September, and that he hopes to begin redeveloping the six-storey building before the end of the year.

Johnston said he plans to convert the top four floors into executive condominiums priced at \$200,000 and up, the second floor into office space, and the ground floor into indoor parking stalls at the rear and a lobby area and perhaps a small coffee shop at the front of the building facing onto Portage.

He declined to reveal how much he expects to spend on renovations, saying he's still negotiating with local contractors.

Kingdom is the second developer to take a run at saving the 104-year-old Avenue Building, which has been targeted for redevelopment by the city's downtown development agency — CentreVenture Development Corp.

Winnipeg-based A.S.H. Management agreed last year to buy it and redevelop it as a "green" commercial building. But the sale was conditional on A.S.H. being able to find an anchor tenant. When it couldn't, it handed the property back to CentreVenture.

The sale to Kingdom is unconditional, and Johnston said his initial focus will be on selling and developing the 24 condo units. Development of the office space will come later unless a tenant or tenants come forward in the meantime.

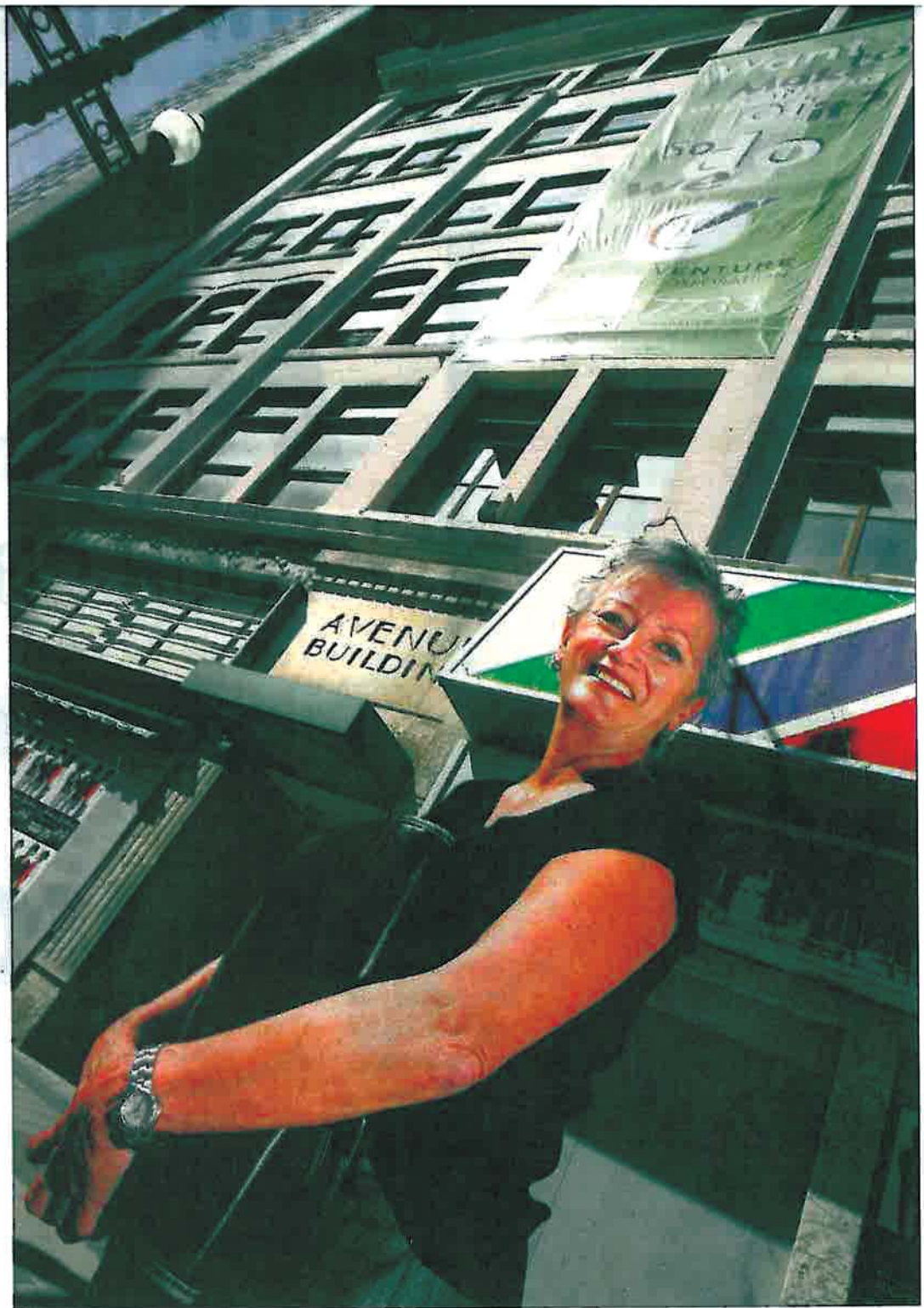
The Avenue Building conversion will be the first condo development on downtown Portage since the former Supreme Raquets building across from the University of Winnipeg was converted to commercial and condos earlier this decade.

Hart Mallin, developer of that project, said it took about three years to sell the 12 loft-style condos in that complex — priced at \$150,000 to \$200,000 — and that Johnston is on the right track by going with a mixed-use development.

"I think as long as he doesn't have too many of them (condos), it will work," Mallin said. "But it will take a year or two."

But not everyone is convinced that executive condos are the way to go.

Bill Thiessen, a veteran agent with Re/MAX Performance Realty who specializes in selling downtown condos, said Johnston would be better



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Realtor Elaine Cowan sold the Avenue Building to a company that plans condos and offices onsite.

off going with more affordable units — \$150,000 or less — that are aimed at young professionals rather than executives.

"I think that with the executive thing, you've got to be careful with that," Thiessen said. "That's not a slam dunk anywhere in Winnipeg except maybe Wellington Crescent."

He said most Winnipeggers don't think of downtown Portage as a prime place to live. The exception might be hip, young professionals who want to be close to offices and entertainment venues.

An even better idea would be to market half of the condos as commercial units where young professionals could set up their businesses, he and Mallin said.

Johnston has hired a local real estate agent — Elaine Cowan of Coldwell Banker — to begin

marketing the space. In fact, it was Cowan who first suggested he buy the building after Johnston approached her about a smaller heritage building she was marketing next door — the Hample Building at 271 Portage.

Cowan said Johnston took one look at the Avenue Building and immediately saw the potential for redevelopment. "It's similar to ones he's been working on in Saskatchewan."

Johnston said his four-year-old company is redeveloping a smaller heritage building in Swift Current, and has also been involved in several residential redevelopment projects in Saskatoon.

"But this would be the biggest (project) to date," he said.