

Banner year for property purchases \$544.7M of commercial sites sold in city in first 10 months

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Main Canada Post Office on Graham Street.

This year will go down in the books as one of the best on record for commercial property sales and a pretty good one for commercial leasing as well.

Winnipeg's commercial real estate sector posted \$544.7 million worth of property sales during the first 10 months of 2010, according to the latest data compiled by the Winnipeg firm of Colliers Pratt McGarry.



The Residences on York apartment complex was bought by Toronto's Timbercreek Asset Management for \$100 million. (PHIL.HOSSACK@FREEPRESS.MB.CA)



Wardrop leased the former Bank of Canada building at 161 Portage Ave. E. (PHIL.HOSSACK@FREEPRESS.MB.CA)

That's the second-highest yearly tally on record after 2007's \$750 million, and it will climb even higher if any deals were completed during the final two months of the year.

This year's performance was a marked improvement over 2009, when \$292.5 million worth of sales were recorded. It's also well above Winnipeg's yearly average of \$300 million.

It was also a good year for commercial leasing in Winnipeg, according to Don White, co-manager of Colliers Pratt McGarry's investment team and chairman of WinnipegREALTORS commercial division.

"I'm not talking about monumental changes," White said. "I'm talking about a continued strengthening (of market fundamentals). And that's positive for the leasing market and it's good for the sales market too, because when the fundamentals strengthen, the (property) values strengthen."

White said the retail and industrial subsectors both saw a healthy level of leasing. It was a particularly good year for one of the city's largest industrial landlords, Bentall Real Estate Services.

Even the office sector did better than expected, according to Wayne Johnson, a commercial leasing specialist with Royal LePage Dynamic Real Estate and author of the twice-yearly Johnson Report on commercial sales and leasing in Winnipeg.

"I think the office was a pleasant surprise," Johnson said, and attributed it, in part, to Winnipeg not being hit too hard by the 2008-2009 global recession.

Wayne Sato, an office leasing specialist with Cushman and Wakefield's Winnipeg office, described it as "a Goldilocks market -- not too hot and not too cold."

He said there were a number of large downtown deals completed, including Wardrop's leasing of 32,000 square feet in the former Bank of Canada building at 161 Portage Ave. E.

One of the bigger sales transactions of the year was the GEM Equities/B&M Land Co. sale of three highrise apartment blocks, including The Residences on York complex at Donald Street and York Avenue, to Toronto-based Timbercreek Asset Management for a reported \$100 million. Another was Artis Real Estate Investment Trust's acquisition of the Winnipeg Square parkade and its acquisition of the remaining 62 per cent stake in the 360 Main Street highrise office tower and the adjoining Shops of Winnipeg Square retail complex. Those two related transactions were worth a total of \$94.7 million.

According to Colliers, the breakdown for sales during the first 10 months was: \$194.5 million worth of apartment blocks, \$128.2 million worth of office buildings, \$118.6 million worth of retail complexes, \$56.6 million worth of industrial buildings, \$29.6 million worth of parkades and parking lots, and \$17.2 million worth of land.

Here is a list of some of the major sales and leasing transactions completed in 2010:

Name of property: Canada Post Building
Address: 266 Graham Ave.
Type of transaction: sale
Type of property: office/industrial
Size: 560,000 square feet
Buyer: Winnipeg Police Service
Seller: Canada Post
Purchase price: \$29,250,000
Selling and listing agents: Peter Kaufmann and Robert Friesen, CB Richard Ellis
Buyer's agents: Sandy Shindleman and Bob Downs, Shindico Realty Inc.

Name of property: Three apartments in GEM Equities/B & M Land Co. portfolio
Addresses: 161 Donald St., 33 Hargrave St., and 15 Arden Ave.
Type of transaction: sale
Type of property: multi-family residential/retail
Size: a total of 551 suites
Buyer: Timbercreek Asset Management Inc.
Seller: GEM Equities/B & M Land Co.
Purchase price: About \$100 million
Agents: private sale

Name of property: 161 Portage Avenue East (former Bank of Canada Building)
Address: 161 Portage Ave. E.
Type of transaction: lease
Type of property: office
Size: 32,035 sq. ft.
Landlord: Richardson Centre Ltd.
Tenant: Wardrop, a Tetra Tech company
Transaction value: undisclosed
Leasing agents: Wayne Sato/Mike Passingham, Cushman & Wakefield

Name of property: St. Vital Square and Pembina Village Shopping Centre
Addresses: 785-827 Dakota St. and 2065-2127 Pembina Hwy.
Type of transaction: sale
Type of property: retail
Size: 247,679 sq. ft.
Buyer: Artis Real Estate Investment Trust
Seller: private, local
Purchase price: \$52,500,000
Selling and listing agent: Colliers Pratt McGarry -- Brian Taillieu & Don White

Name of property: N/A*
Address: 266 Ellen St.
Type of transaction: sale
Type of property: vacant land
Size: two acres
Buyer: Canada Post
Seller: a group of private companies
Purchase price: \$2,900,000
Agent: Bob Downs, Shindico Realty Inc.

Name of property: Crestview Shopping Centre
Address: 3369 Portage Ave.
Type of transaction: sale
Type of property: retail
Size: 36,289 sq. ft. (building), 2.4 acres (land)
Buyer: N/A

Seller: N/A
Purchase price: More than \$9 million
Selling agent: Robert Scaletta, Peter Kaufmann and Robert Friesen, CB Richard Ellis

Name of property: Olympic Towers
Address: 480 Charles Street
Type of transaction: sale
Type of property: apartment
Size: 104 suites
Buyer: private, local
Seller: private, local
Purchase price: confidential
Selling and listing agent: Colliers Pratt McGarry -- Don White & Brian Taillieu

Name of property: Medical buildings portfolio
Addresses: 653 William Ave., 647 Broadway, 870 Main St.
Type of transaction: sale
Type of property: medical office/retail
Size: 24,000 sq. ft.
Buyer: 3603431 Manitoba Ltd.
Seller: 469887 Manitoba Ltd.
Purchase price: undisclosed
Selling and listing agents: Ken Yee/Michelle Constant, Cushman & Wakefield

Name of property: N/A
Address: 1586 Wall St.
Type of transaction: sale
Type of property: office/industrial
Size: 66,000 sq. ft.
Buyer: local investors
Seller: N/A
Purchase price: \$1,400,000
Agent: Bob Downs, Shindico Realty Inc.

Name of property: N/A
Address: 1717-1755 Pembina Highway
Type of transaction: sale
Type of property: retail
Size: 51,736 sq. ft.
Buyer: private, local
Seller: private, U.S.
Purchase price: confidential
Selling agent: Colliers Pratt McGarry -- Brian Taillieu & Don White

Name of property: 2835 Pembina Hwy.
Address: 2835 Pembina Hwy.
Type of transaction: lease
Type of property: retail
Size: 7,100 sq. ft.
Landlord: 215 Holdings Ltd.
Tenant: Smitty's Restaurant & Lounge
Transaction value: undisclosed
Leasing agent: Michelle Constant/Ken Yee, Cushman & Wakefield

Name of property: N/A
Address: 100 Paquin Rd.
Type of transaction: sale
Type of property: Industrial
Size: 122,023 sq. ft. (building), 8.8 acres (land)

Buyer: private, local
Seller: Phillips & Temro
Purchase price: more than \$7 million
Selling agents: Derrick Chartier, Trevor Clay, CB Richard Ellis

*Not available

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