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Big plans afoot for a small lot

Imposing tower may rise on site of former eateries

By: **Murray McNeill**
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Enlarge Image

5468797 Architecture's concept building (5468797 ARCHITECTURE)

Enlarge Image

The property at 151 William Stephenson Way it could occupy if the developers go

The former Tokyo Joe's restaurant near Shaw Park has a reservation with the wrecker's ball.

Green Seed Development Corp. and Winnipeg businessman Kori Buhler have purchased the one-storey building at 151 William Stephenson Way with the intention of demolishing it and building something new on the site. They're just not sure yet what kind of building it will be.

Green Seed CEO Mark Penner said they're leaning towards either an 11-storey office-condominium complex, or a low-rise residential building -- either apartments or condos.

Penner said he used to pass by the vacant building -- the last tenant was another restaurant called Pazsteaks -- on his way to Winnipeg Goldeyes baseball games. And he always thought it would be a great site for a new development of some sort.

So when the building came up for sale, Penner said he and Buhler jumped at the chance to acquire it. He wouldn't say how much they paid for it, but he said they're eager to find some creative way to redevelop it.

Penner said the small size of the property -- it's only 10 metres wide and about 36 metres deep -- will be a challenge.

If they decide to go residential, Penner said they would likely put up either a two- or three-storey walk-up building, or maybe two fourplexes -- one at each end of the lot.

"All options are on the table."

They hope to complete their feasibility studies within the next couple of weeks and to decide on the type of building before the end of the month.

The developers have hired 5468797 Architecture to conduct *with it. (WAYNE GLOWACKI / WINNIPEG FREE PRESS)*

the feasibility study and develop a design concept for the office tower. The bold design 5468797 came up with shows a tall building that resembles a thin, black bar against the downtown skyline.

The firm says on its website that while the ground floor would conform to the city's set-back rules, the upper floors would cantilever 15 feet over the sidewalk on each end to "engage the streetscape below and capture daylight through full-height glazing." Because the side walls would be flush with the property line, there will be no windows on the east and west facades of the building. Instead, there will be horizontal courtyards cutting through the structure to break up the interior space into smaller compartments and increase access to light, views and fresh air, the architects add.

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Winnipeggers may soon see an Original Joe's restaurant in the heart of the city.

The parent company of the Calgary-based chain has struck a tentative deal to buy the financially troubled Elephant & Castle restaurant chain for $22.7 million. But the offer must first be approved by the U.S. bankruptcy court, where Massachusetts-based Elephant & Castle Group Inc. has sought protection from its creditors.

Original Joe's officials declined to comment earlier this week, probably because the case is still before the courts in both the United States and Canada. The next U.S. court date is this Thursday.

It's probably safe to assume that if the sale is approved, Elephant & Castle's British-style pub/restaurants will be converted to Original Joe's outlets. Elephant & Castle has 10 company-owned outlets and one franchised location in the United States and nine company-owned outlets and one franchise in Canada.

The lone Elephant & Castle in Winnipeg is on the main floor of the Delta Winnipeg on St. Mary Avenue. Not only does it boast one of the downtown's best outdoor patios, it's also in the heart of CentreVenture Development Corp.'s sports, hospitality and entertainment district (SHED), which encompasses both the MTS Centre and the Winnipeg Convention Centre.

Original Joe's has one restaurant in the Kenaston Village Mall at Grant and Kenaston.

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Winnipeg's sometimes-sleepy downtown office market is showing signs of perking up.

Two market forecasts issued last week, one by Cushman & Wakefield and the other by CBRE Ltd., said vacancy rates in some key office categories are expected to decline in 2012 and rental rates are expected to increase.

While that's bad news for tenants, it's good news for landlords, who have seen little in the way of rent increases in recent years and saw some vacancy rates edge up earlier in the year.

"The outlook for the office market is very optimistic," said Ken Yee, senior executive vice-president of C&W Winnipeg. "A decade of concentrated revitalization and over one billion dollars in new projects and renovations has created an exciting vibe and a renewed confidence in downtown Winnipeg. We expect near-term fundamentals to be strong as upward-trending lease rates begin to stir the market."

C&W predicts the Class A vacancy rate to decline a bit over the next few quarters -- it's at 4.7 per cent -- and the Class B rate of 10.1 per cent to decline to between 9.5 and 9.75 in 2012. As more tenants begin to migrate to nicer buildings, the Class C vacancy rate could start to climb. It's at about 7.8 per cent, the firm says.

The CBRE report doesn't provide a breakdown of vacancy rates for the different classes of space. But it predicts the overall downtown vacancy rate will to drop to 6.3 per cent next year from 7.8 per cent.

As for rents, C&W's Yee said Class A net rental rates, which had been stuck at $15 to $16 a square foot, have finally started to creep up into the $17 to $17.50 range. That upward trend should continue, he said, although it's difficult to predict how high the rates could climb.

The CBRE report pegs the current Class A rental rate at $16.04 and predicts it will climb to $16.36 in 2012.

Know of any newsworthy or interesting trends or developments in the local office, retail, or industrial real estate sectors? Let real estate reporter Murray McNeill know at the e-mail address below, or at 697-7254.

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