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Developers hungry for heritage projects

By: Murray McNeill

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COLE BREILAND / WINNIPEG FREE PRESS Real estate developers Mark Hofer (right) and Keith Merkel outside their first development project on Princess Avenue.

Pumping Station on Waterfront Drive.

"I'd love to tackle the Bay building. I see some amazing opportunities from a housing perspective... And the pumphouse would be a challenge because they don't know what to do with it."

The Hofers have completed three heritage redevelopment projects so far. The first was the warehouse

Mark and Rick Hofer are gluttons for punishment.

Fresh off what they say was the most challenging and stressful project of their careers -- the redevelopment of the derelict Avenue and Hample buildings on Portage Avenue -- the two brothers are eager to tackle another heritage project.

So eager, in fact, they've joined forces with Winnipegger Keith Merkel to launch a new integrated real estate development company -- EdgeCorp Group -- that will enable them to tackle two new projects a year. It could include one downtown heritage-redevelopment project and one suburban new-build project.

While Mark has nothing against new-builds, heritage-redevelopment projects are what really light a fire in his belly. Especially ones involving downtown buildings.

"There's no doubt my passion is for downtown Winnipeg," he said, sitting in a century-old former warehouse on Pacific Avenue he converted into commercial/office space for his Direct Focus marketing firm. "I'd like to do more projects there."

Hofer said he's already got his eye on two downtown properties he hopes EdgeCorp can acquire, though he wouldn't say which ones.

Two other downtown buildings he'd love to get his mitts on are the Bay store on Portage Avenue and the James Avenue

building at 315 Pacific. The second was the conversion of another warehouse into the Edge on Princess apartment/retail complex at 230 Princess St. And the third was the conversion of former Avenue and Hample office buildings on downtown Portage into a 75-unit apartment complex with main-floor office space.

Hofer said Merkel coming on board is what enabled them to launch EdgeCorp. and to begin ramping up construction. He'll take a lot of managerial-type duties Mark used to handle while still running Direct Focus.

"Rick's strength is in construction. My strength is as a project manager. Mark is good at getting us all going and keeping us going," Merkel said. "He's the catalyst."

Merkel is a former general manager of Direct Focus who also oversaw construction of the new Ashley Furniture stores on the Prairies for Dufresne Furniture and managed the real estate holdings of Nyg*rd International.

"But I always wanted to get into construction," Merkel said. "So when this opportunity came up, I thought this was a way to get into the construction business."

EdgeCorp's first project will be a two-phase, 100-plus-unit condominium development in Transcona called the Station.

Hofer said they opted for a new-build as their first project because it should be less challenging than redeveloping another historical building.

He said their employees needed to take on something a little less challenging after the Avenue/Hample project, which is just wrapping up.

Merkel, who grew up in Transcona, said there's also a strong demand there for affordable condos. Re/Max Performance Realty agent Bill Thiessen, who specializes in condo sales, agreed.

Thiessen said he has marketed 42 condos in three different developments in the area over the last three years. They all sold quickly.

He's now the lead marketing agent for A & S Homes' 72-unit Park City Condominiums on Pandora Street. He started marketing the townhouse-style units, priced \$249,000 to \$275,000, a month ago, and has sold six so far.

That's how many units they've sold in the Station, Merkel said. They want to pre-sell at least half of the 60 units in Phase I before they proceed with the project. They hope to begin construction this fall, and to start on Phase II next spring.

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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What to expect when pulling into the Station

HERE are some details about the Station condominium development:

Expected to cost between \$18 million and \$20 million.

To be built on Pandora Avenue West and Melrose Avenue West between Winona and Bond streets.

To include between 100 and 115 units -- six bungalow-style and the rest apartment-style units.

To be developed in two phases, 60 units in Phase I on Pandora and 40 to 55 units in Phase II on Melrose.

Will include one-bedroom, one-bedroom plus den, and two-bedroom units, priced at \$174,900 to \$249,900.

Construction expected to begin this fall, with the first tenants expected to move in about the middle of next year.

-- source: EdgeCorp Group

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