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Staples anchors distribution hub

First new such centre in city for over 10 years

By: **Murray McNeill / Commercial Real Estate**
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MIKE APORIUS / WINNIPEG FREE PRESS ARCHIVES Avison & Young held an open house in the White House heritage building, seeking tenants.

needs."

She said the division, which provides office supplies and office services to companies with 20 or more employees, has seen its business in the region grow by 30 per cent, 25 per cent, and 18 per cent in the last three years.

Staples Canada will be the anchor tenant in the first new distribution centre to be built in the city in more than a decade.

A spokesperson for office-supplies giant has confirmed its business-to-business division -- Staples Advantage -- has leased about 60,000 square feet in the 152,000-square-foot Discovery Place Distribution Centre now under construction at 200 Discovery Pl., in the Inksbrook Industrial Park.

The British Columbia Investment Management Corp. is building the new centre. When the project was announced last November, the centre's development manager and leasing agent -- Bentall Kennedy (Canada) LP -- said it was too soon to reveal the name of the anchor tenant.

Soulla Lindo, marketing communications manager for Staple Advantage, said the Discovery Place space will serve as the division's new distribution centre for Manitoba and Saskatchewan. It's expected to open on Oct. 1.

At 60,000 square feet, the new centre will be more than triple the size of the division's existing distribution centre at 1715 St. James St., where it has been since May 2006.

"Our business has increased tremendously in the Manitoba and Saskatchewan areas, causing us to outgrow our current distribution centre," Lindo said. "We recently added an annex to our current facility as a short-term solution, but realized we needed a larger building to house all our products. The new facility will allow us to meet our current and future customers'

"The category that has seen the highest growth for us... has been our facility products, which includes cleaning supplies, paper products, safety products and break-room supplies," she added.

The business services the division offers include print, legal, promotional and furniture services.

Shaun Rocan, vice-president of leasing and general manager of Bentall Kennedy's Winnipeg office, said no other tenants have been signed but talks are ongoing with interested parties.

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Ness Avenue is getting what is being billed as its first new retail strip mall in more than a decade.

A nine-unit, 15,000-square-foot development called the Silver Heights Plaza will be built this year on the site of the Silver Heights Community Club, which will be closing at the end of the winter.

The leasing agents for the project -- Jess Davis, Todd Labelle and Jennifer Dengelman of Avison & Young Commercial Real Estate (Manitoba) Inc. -- said developer R.V. Realty Inc. acquired the city-owned property at 2080 Ness Ave., last year. However, at the request of the city, it won't take possession until the end of May.

Davis said the strip mall is expected to take nine to 12 months to build.

"It will depend on how Mother Nature treats us."

He and Labelle said to the best of their knowledge, this is the first retail strip mall to be built on Ness Avenue in more than a decade. It's also the first real estate development project for the local husband-and-wife team, which owns R.V. Realty.

But it may not be the last.

"They have an idea for another project," Davis said, "but it will depend on the success of this one."

None of the space in the new mall has been pre-leased yet, but Davis said talks are underway with a number of prospective tenants, both local and national.

Labelle said the kinds of retailers area residents have said they'd like to see in the mall include a family restaurant, a pharmacy, a doctor's office and a financial institution.

"They don't have a lot of services close by there," he added.

He said the developer is still working out the project's final cost estimate. Once they have that, they can determine what the rental rate will be.

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The same Avison & Young team is also still beating the bushes for a tenant for the 104-year-old White House office/retail building in downtown Winnipeg.

Thursday evening, they hosted a three-hour open house in the ornate, neo-classical style, two-storey heritage building, which is located on the south side of Portage Avenue just west of Fort Street.

The main floor (3,080 square feet), mezzanine (about 1,000 square feet) and basement level of the building, originally called the Oldfield, Kirby & Gardner Building, are currently vacant. The kinds of

tenants the leasing agents envision for the space include a salon or spa, a high-end retail outlet, or maybe an upscale restaurant/wine bar operation.

Degelman said the restaurant could be on the main floor, with the kitchen in the basement and a wine bar on the mezzanine overlooking the restaurant.

Most of the basement is undeveloped and being used as storage space. So a kitchen would have to be built from scratch, she added.

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 email address below, or at 204-697-7254.

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