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Tower first to sell signage space in city

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Creswin's Terry Orsulak said one of the tenants at 201 Portage has paid 'a significant number' for signage space on two sides of the building.

The owner of the city's tallest office tower -- 201 Portage -- has become the first in the city to sell signage space at the top of its building.

A Creswin Properties official confirmed in an interview one of the building's tenants -- he wouldn't say

which one -- has purchased the right to have its name or logo mounted on two sides of the building-- the southwest and northwest -- near the top of the 33-storey structure.



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Brian Aronovitch

Terry Orsulak, Creswin's senior property manager, said the winning bidder wants to wait until next month to reveal its identity, and Creswin is abiding by its wishes.

The winner is thought to be one of the building's multi-floor tenants. They are RBC Dominion Securities, TD Bank (which used to have its name on the building), Thompson Dorfman Sweatman and MNP (formerly Meyers Norris Penny).

Orsulak also wouldn't reveal how much the winner paid for the signage rights, which are for 12 years with an option to renew for an additional five years. He said negotiations are underway with several other companies who are interested in purchasing the signage rights for the other two sides of the building, and disclosing how much the first company paid could have an impact on those talks.

"But I can tell you it was a significant number," he added.

Because it's a significant amount, Orsulak predicted other office landlords will follow Creswin's lead and sell the signage rights to their buildings.

He said it's a common practice in other Canadian cities like Toronto and Calgary. And it makes good business sense because it creates a new revenue for the landlord and a

high-profile advertising/marketing opportunity for the tenant who acquires the space.

"It's like having a very tall billboard at the top of a building."

Orsulak stressed Creswin is selling signage rights, not naming rights.

"The building is not... being rebranded. It's 201 Portage and that's the way it will stay."

A spokesman for the owner of another Portage and Main office tower -- 360 Main -- confirmed it may follow Creswin's lead.

Armin Martens, president and CEO of Artis Real Estate Investment Trust, said he's curious to know how much Creswin got for the signage rights. If it's a significant amount, Artis will look at doing the same thing with its 22-storey tower.

"We've also got a prominent building and great exposure," Martens said. And because of the building's shape, there are about six places where signage could be placed, he added.

Ken Jones, chairman of the Winnipeg Realtors Association's Commercial Division, said he also wouldn't be surprised if other landlords sell their signage rights.

Jones said there's been a recent trend towards office tenants signing longer-term leases because of the rising relocation costs. So if they're going to be tenants for the long term, having their name on the building could be an appealing option.

"It shows how prominent and stable they are, and gives them exposure in a really professional and

dignified way."

Jones said the common practice has been to include naming rights in the anchor tenant's lease, rather than sell signage space as a separate item.

"This is a little bit different in that it's almost quasi-advertising," he said, although it's not unlike the old days when some companies painted a name or slogan on the side of one of the city's old brick buildings.

Orsulak said more than a half a dozen companies, local and national, approached Creswin about obtaining signage rights for the building. But it could be up to a year before any other deals are finalized, he said.

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Winnipeg's commercial real estate industry recently lost one of its most experienced and respected agents.

Brian Aronovitch, a sales and leasing specialist with Avison Young Commercial Real Estate (Manitoba) Inc., died Feb. 22, days after being honoured with a 50-year membership pin and certificate by the Winnipeg Realtors Association.

That's the same group that named him Commercial Member of the Year in 1999 under the "professionalism" category.

Aronovitch, 73, came from a long line of realtors. Like his father and grandfather, he at one time headed up the family's real estate firm-- Aronovitch and Leipsic. In later years, he worked for several other firms, including Cushman & Wakefield and, up until his death, Avison Young Commercial Real Estate (Manitoba) Inc.

Avison Young's managing director, Wes Schollenberg, said although Aronovitch had been hospitalized in recent months, it didn't stop him from doing what he loved to do.

"Three days before he passed away, he was on a conference call with me, working on a deal." Schollenberg described Aronovitch as a consummate professional.

"He was the first one in the office in the morning, and the last one to leave at night.

"And he was just so old school, in that he was never late (for an appointment or meeting), he was always ethical. His word was his bond."

Another industry veteran -- Graeme Rowswell, of G.T. Rowswell Realty Leasing Co. -- said he'd known Aronovitch since the mid-1960s.

"He was top-notch, very knowledgeable," Rowswell said. "And he was a class act. You couldn't find a finer person."

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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