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# Ont. developer on a roll here

## Kothari firm likes market; looking to keep growing

By: **Murray McNeill**

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*Anupam Kothari, president of Kothari Developments, cites expansion of the firm's portfolio in a solid market for the company's interest in Manitoba.*

A Mississauga-based developer likes Manitoba so much it's planning to spend \$100 million over five years on new commercial developments in the province.

Kothari Developments Inc. got the ball rolling last year with the construction of a new six-storey Hampton

## Inn by Hilton Winnipeg hotel on Berry Street near Winnipeg's Richardson International Airport.

Here's the skinny on Kothari Developments Inc.:

-- A member of Mississauga, Ont.-based Kothari Group, which is owned by the Kothari family and included two other companies -- Mercury Mortgages and Orchid Leasing.

-- The parent company started out in 1996 investing in retail developments through its development arm, Kothari Developments.

-- In 2002, it expanded into the mortgage financing business with the launch of Mercury Mortgages, and in 2008 Kothari Developments branched out into the hotel business with the development of a Four Points Sheraton hotel in Cambridge, Ont.

-- Source: Anupam Kothari, president of Kothari Developments Inc.

Now, less than six weeks after the hotel opened its doors, the company has embarked on its second project -- a new 52-unit condominium development planned for the corner of St. Mary's Road and Van Hull Way, in south St. Vital.

Company president Anupam Kothari said construction of its Van Hull Place condo complex is expected to get underway this fall or next spring and will take about a year to complete.

Although the company needs to pre-sell at least 40 per cent of the units before the project can proceed, Kothari said that shouldn't be a problem.

He and company vice-president Nizar Mawani said the hotel and condo project will account for about \$35 million of the \$100 million the company plans to spend, leaving \$65 million to spend over the next three years on other projects.

Those projects could include one or two more condo developments -- they're looking at potential sites in Transcona and southwest Winnipeg -- one or two more hotels or perhaps a small retail development.

And the company isn't limiting itself to just the Winnipeg market. It's also looking at development opportunities in Brandon, Thompson and Winkler.

"We'd love to build a new brand-name hotel in Brandon," Kothari said. "We're actively searching for land now, and if we

find the right property, we'll probably start construction in the next 24 months."

They also think Thompson could use a brand-name hotel, so they're looking at potential sites there.

Although the company originally expected to build two or three new hotels in Winnipeg, Kothari said those plans are on hold until they see how the market responds to the two or three other new hotels under construction or in the works in the city.

"I believe that Winnipeg, with all of the new supply coming on... probably needs a 24-month break (from any more new hotel development)," Kothari said. "But there will be a time when they will need more rooms. So probably in two or three years we'll start looking at possibly doing another hotel here."

Although there are lots of new condos being built, Kothari and Mawani said with the ongoing economic and population growth Manitoba is enjoying, there's still room for more multi-family residential development.

They said Manitoba's diversified economy and steady growth are some of the reasons Kothari Developments expanded into the Manitoba market in 2011. But they're not the only ones.

"We wanted to diversify our portfolio. Rather than just being in Ontario, we wanted to move west into Manitoba and Saskatchewan," Mawani said. "And we decided to continue (investing) in Manitoba because Manitoba still needs more outside investment."

"It's also the fundamental strength of the market. It's the hard-working people, the friendly people and the entrepreneurial spirit here," Kothari said.

Although the company is prepared to proceed on its own new projects, Mawani said its preference would be to partner with local investors or developers who may have suitable properties or a good idea for a project, but lack the financial resources to develop it on their own.

He said the benefits of teaming up with local players is they're familiar with the market and may already have a good network of contacts here. He noted a local investor, whom he declined to name, partnered with the company on both the Hampton Inn and Van Hull Place projects.

Kothari said the Van Hull Place development will feature 16 one-bedroom condos and 36 two-bedroom units. The condos will range in size from 600 square feet to 1,100 sq. ft., and will be priced at between \$170,000 to \$300,000.

He said the price, coupled with their plan to equip each unit with higher-end finishes such as stone countertops, nine-foot ceilings and stainless steel appliances, should enable the company to achieve its pre-sell target.

"The sweet spot (in the Winnipeg condo market) is \$220,000 to \$230,000. But if you're selling for under \$300,000 in Winnipeg, you don't have a problem."

Further information about the Van Hull Place project can be found at: [www.vanhullplace.ca](http://www.vanhullplace.ca).

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