

## Setting up shop in a condo commercial real estate

### It's starting to catch on in Winnipeg

By: Murray McNeill

26/01/2009 1:00 AM | [Comments \(0\)](#)

The commercial-condominium concept is finally starting to catch hold in Winnipeg, local real estate industry officials say.

Although commercial condos have become almost commonplace in the United States and in some larger Canadian cities, the concept has been slow to catch on in Winnipeg.

But now there's evidence that's changing. Three modest-size industrial-condo projects that were launched within the last two years are either sold out or on the verge of selling out.

One, a six-unit warehouse/retail complex at 1475 Wellington Ave., sold out within a scant four months last year.

"I was quite surprised," listing agent Greg Grewal of Century 21 Bachman & Associates said in an interview Friday. "We'd love to find some more (commercial condos to sell)."

Two other projects marketed by DTZ Barnicke Winnipeg -- a six-unit warehouse/office complex at 1088 McDermot Ave. and a 10-unit warehouse/storage facility in Grande Pointe -- are also within one unit of being sold out.

"It's quite remarkable..." DTZ Barnicke Winnipeg president Martin McGarry said. "It actually has exceeded our expectations by a long shot."

It's success stories like these that have caught the attention of Winnipeg real estate agent Bill Thiessen. That's why the Re/Max Performance Realty agent has high hopes of finding buyers for three office/retail condos he's marketing in the historic Travellers Building at 283 Bannatyne Ave.

"It's a relatively new concept for Winnipeg... but it's one we think has merit," Thiessen said, adding he's already been approached by several interested parties, even though the Travellers Building units have been on the market for only about two weeks.

Though Thiessen said the concept has finally turned the corner here, others like Ken Jones, immediate past-president of the commercial division of the Winnipeg Realtors Association, said that's probably an overstatement.

"It is starting to catch on," Jones conceded in an interview, "but it's probably safer to say we're going through the intersection... and the corner is about to be turned."

That's because in spite of some obvious success stories, there are also other commercial condo projects that have failed to even get off the ground.

McGarry confirmed that a four-storey office/retail complex planned for 165 Provencher Blvd. -- the Edifice Fontaine project -- is now on "long-term hold" because there weren't enough advance sales to warrant proceeding.

And after more than two years, there are still no takers for the three retail condos on the main floor of the Fairchild Lofts residential/retail complex at 110 Princess St.

Although that building is less than a block away from the Travellers Building, that doesn't worry Thiessen.

He said two of the three Travellers Building units -- each one covers an entire floor, or about 5,000 square feet -- are finished space. The first floor is leased to Oui Bistro & Wine Bar, and the second is leased to another firm as office space.

Thiessen said the second-floor tenant has already said it isn't interested in buying the unit and will be moving out next summer. The owners of Oui Bistro -- Winnipeg-based Wow Hospitality Concepts -- haven't revealed their plans, he said, and officials for the restaurant chain couldn't be reached for comment.

Thiessen and McGarry, whose firm has been one of the most active players in the commercial condo market, said a number of factors are helping to fuel interest in commercial condos. They include historically low interest rates, which make mortgages more affordable, and a limited selection of suitably sized, stand-alone buildings for sale or lease.

Jones said that's particularly true in the industrial sector, which partially explains why industrial condos seem to be selling faster than office or retail condos.

"But I think it (the office/retail segment of the commercial condo market) will come along, as well," Thiessen said.

Even Jones, who still doubts commercial condos will ever be a big hit in Winnipeg, predicts there will be more of them popping up around the city in the next few years.

"But it's not going to become a huge, burgeoning industry....," he said.

murray.mcneill@freepress.mb.ca

What's available

Commercial condominiums have become all the rage in the United States and in some large Canadian cities where land is expensive and in short supply, and where stand-alone office, retail or industrial buildings are pricey and often hard to come by. Although the concept has been slow to catch on in Winnipeg, where building lots and commercial properties used to be both plentiful and affordable, that seems to be changing as the supply of available properties dwindles. Here is an update of some commercial-condo projects that have been marketed in the city in the last couple of years:

The Trademark Properties Inc. building, 1475 Wellington Ave.: The former warehouse/retail rental

property was converted into six, 1,600-square-foot commercial condos last spring. They all sold within four months.

The Northwest Business Centre, 1088 McDermot: DTZ Barnicke Winnipeg (formerly MMI Commercial Real Estate Ltd.) began marketing the new six-unit office/warehouse facility about two years ago. All but one of the 2,700-square-foot units are sold.

The Toy Shop Development in Grande Point, which is on the southeastern edge of the city: DTZ Barnicke also began marketing that one about two years ago, although the building wasn't completed until last September. Nine of the 10 1,600-square-foot warehouse/storage units are sold.

The Fairchild Lofts, 110 Princess St.: Three commercial units on the main floor of the six-storey heritage building also came onto the market about two years ago. None have been sold.

The Travellers Building, 283 Bannatyne Ave.: The bottom two floors and basement level of the six-storey building are now being marketed as commercial condos. The units, which are 5,000 square feet each, have been on the market for about two weeks.

**Find this article at:**

[http://www.winnipegfreepress.com/business/setting\\_up\\_shop\\_in\\_a\\_condo\\_commercial\\_real\\_estate38315624.html](http://www.winnipegfreepress.com/business/setting_up_shop_in_a_condo_commercial_real_estate38315624.html)

Check the box to include the list of links referenced in the article.