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Exchange makeover creates excitement

By: Murray McNeill

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Qualico has made an offer to buy six heritage buildings from Nygard International — three on the north side of Market Avenue and three on the south side of James Avenue (pictured).

THE largest residential conversion project in more than 20 years is being planned for the East Exchange District.

The Qualico Group wants to purchase six, multi-storey heritage buildings on Market and James avenues from Nygard International and convert them to residential/commercial use.

Spokespeople for both companies confirmed Monday that an offer to purchase has been submitted and negotiations are underway.

"You can confirm there's something cooking," Qualico vice-president John Daniels said. "Early in the New Year we'll hopefully be in a position to make an announcement one way or the other."

Daniels also confirmed that the City of Winnipeg may also be planning to build a 450-stall parkade adjacent to the Qualico development, although a spokesman for the city said he could neither confirm nor deny that.

"It certainly would be a plus factor if it did happen," Daniels said. "But we're looking at other possibilities for parking, as well. So it (the Qualico development) may be able to go ahead without it."

Daniels didn't reveal how many residential units are being contemplated or the dollar value of the proposed project. Nor would he say if the residential units would be condominiums, rental units, or both.

"It's all pretty speculative at this point," he said, adding only that it will be a mixed-use development with commercial space on the main floors of the buildings and residential units above.

Nygaard officials were also being tight-lipped. A company spokesperson said the firm wouldn't discuss details while talks are still ongoing.

Sources said three of the buildings are located on the north side of Market Avenue, east of Lily Street. They include the former Athletes Wear building at 145 Market. That building used to house a Nygaard Fashion World store and is now the new home of Brick's Fine Furniture.

The other three buildings are on the south side of James Street, also east of Lily Street, sources said.

Real estate agent Bill Thiessen, of RE/MAX Professional Realty, who specializes in downtown condominiums, said because of the number of buildings involved, it would be the largest residential redevelopment project in the Exchange District since the Ashdown Warehouse conversion in the late 1980s.

It would rival Red River College's downtown campus as one of the area's most significant heritage-building conversion projects, he added.

Thiessen said the fact Qualico is the developer may be as significant as the project itself.

"I'm just so excited that the largest residential developer in our province is saying 'We're going to take a serious look at the downtown.' They are consummate pros."

He said ideally, the development should include a combination of condominiums and apartments. And at least half of the condos should be smaller, more moderately priced units -- maybe 700- or 800-square-foot priced at less than \$200,000.

There's also a need for some two-bedroom units priced in the \$225,000-to-\$275,000 range, he said.

As for the commercial units, Thiessen said they should be mainly retail with some office space.

Although the condo complexes on nearby Waterfront Drive have had trouble filling ground-floor retail space, Thiessen said the rents in retrofitted buildings are usually about a third less than in new buildings. It should be easier to find retail tenants for the Qualico development.

Jino Distasio, director of the University of Winnipeg's Institute of Urban Studies, also called for a mixture of residential and commercial units. "We want to look at some balance so there's an opportunity for all

different kinds of people to get into this very exciting area," he said. "And the greater the level of diversity, the easier it is to market them."

He said it's also great to see a major developer like Qualico trying to find a new use for some old downtown buildings, noting Winnipeg has one of North America's largest collections of heritage warehouse buildings. "We have this great asset and we need to save it."

The executive director of the Exchange District Business Improvement Zone welcomed any new retail or residential development.

Mal Anderson said there are about 1,000 people living in the Exchange District. There must be at least twice that many to create the demand needed to attract retailers such as a grocery store.

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What is it?

A proposal to purchase six warehouse buildings on Market and James avenues, and redevelop them as residential and commercial space.

How big are the buildings?

Most are four- or five-storey structures.

Who's behind it?

The Qualico Group, which is the province's largest residential developer.

Who owns the buildings now?

Nygaard International, which acquired them for an ill-fated, \$80-million plan to redevelop a large section of the East Exchange District with covered shopping malls, office space and hundreds of new residential projects. That project, dubbed Nygaard Village, was scrapped in 2007 after the city allowed two new condo projects on Waterfront Drive, thereby denying the Nygaard development the river-front vista the company said was needed to make it viable.

What's being proposed?

Details are sketchy. Nygaard officials are not commenting and a Qualico official would only say it would be mixed-used development with commercial space on the main floor of the buildings and residential units above.

What about parking?

The Qualico official said the city is considering building a 450-stall parkade on a property adjacent to the development, although a city spokesperson would neither confirm nor deny that. But the Qualico official said the company is also looking at other parking options, so the project could proceed even without the city parkade.

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