

Western

COMMERCIAL REAL ESTATE, FRANCHISES AND BUSINESS OPPORTUNITIES

INVESTOR

INTERIOR B.C. • ALBERTA • SASKATCHEWAN • MANITOBA SECTION

\$4.29 DECEMBER 2013 Vol. 28/Issue 12



SMALL TOWNS, BIG PLAYS

Harvard Developments
v.p. Blair Forster:
Saskatchewan's smaller
towns lead retail
potential **20**

19 RESORTS ON RADAR

Chinese investors snapping up B.C. resorts and hotels

6 DONE DEALS

10 ALBERTA REPORT

14 M.F. FINANCING

20 SASKATCHEWAN

22 FRANCHISE NEWS

23 MANITOBA REPORT

On the cover

Blair Forster, v.p. of Harvard Developments: among savvy retail developers now active in small town Saskatchewan
Photo: Harvard Developments Inc.



FEATURES

- 20 ON THE COVER Small towns attract giants** layor
Top-brand retailers scout Saskatchewan opportunities
- 6 Done Deals across the West**
Readers report on major commercial real estate sales
- 19 China investors snap up B.C. hotels**
Resort properties favoured target in buying binge
- 14 Financing multi-family properties**
Lowest mortgage rate just part of a smart package

COLUMNS

- 18 WHAT'S HAPPENING IN ALBERTA**
- 22 FRANCHISE NEWS**
- 23 WHAT'S HAPPENING IN MANITOBA**

ADVERTISING DIRECTORY

- 2-5 **INTERIOR B.C.**
- 6-9 **NORTHERN B.C.**
- 19 **LIFESTYLE PROPERTIES**
- 10-19 **ALBERTA**
- 20-22 **SASKATCHEWAN**
- 23 **MANITOBA**
- MORE OPPORTUNITIES ...**
- **LOWER MAINLAND, B.C.**
- **VANCOUVER ISLAND**
- ... SEE SECTION A**

VIEW ADS WITH LAYAR

Maxwell South Realty layor 10

Western INVESTOR 604-669-8500 or 1-800-661-6988 fax: 604-669-2154 info@westerninvestor.com
www.westerninvestor.com 102 East 4th Avenue, Vancouver, B.C. V5T 1G2



TURNKEY MEDICAL SPACE FOR LEASE KELOWNA, B.C.

Numerous improvements with 4 exam rooms, 2 washrooms, storage and file rooms and a dinette. Move your practice and open the next day. Incentives available for qualified tenants. Highway exposure.
Asking: \$24.00 PSF plus NNN MLS®

APPROXIMATELY 115.68 ACRES LAND ASSEMBLY IN NORTH GLEN- MORE/UNIVERSITY DISTRICT

Minutes from Kelowna's International Airport. One side abuts golf course in Quail Ridge. Gravel Pit is a permitted use!

- 70.80 Acres - Lot D \$5,318,000
- 15.63 Acres - Lot 1 \$1,315,800
- 11.62 Acres - Lot 9 \$ 962,200
- 9.10 Acres - Lot 10 \$ 773,500
- 8.98 Acres - Lot 8 \$ 763,300

This assembly comprises 5 lots that can be purchased individually or as a complete package.

Asking: \$8,132,800 MLS®



COURT ORDERED SALE - LAND, BUILDINGS & EQUIPMENT - HIGHLAND PLANT - MERRITT, B.C.

Approx. 1.74 acre level parcel of heavy industrial zoned land. Multiple buildings totalling approx. 30,000 SF with multiple improvements.

Asking: \$2,490,000 plus GST MLS®



NEARLY COMPLETE 3-STORY COMMERCIAL & RESIDENTIAL MIXED SICAMOUS, B.C.

Contractor pick up and finish off this fantastic opportunity. Main floor commercial and 2 floors of residential units. Approx. \$300k needed to finish top 2 floors.

Asking: \$1,100,000 plus GST MLS®



2-STORY MIXED COMMERCIAL & RESIDENTIAL BUILDING AVAILABLE WEST KELOWNA, B.C.

Multiple purchasing options are available with this rare opportunity. 3 Commercial strata units and 3 residential strata units. The residential units are already rented!

Asking: \$1,840,000 plus GST MLS®



McLAUGHLIN COMMERCIAL GROUP COMMERCIAL REAL ESTATE PORTFOLIOS

KEN McLAUGHLIN
250.870.7845
ken@commercialbc.com



KRIS McLAUGHLIN
250.870.2165
kris@commercialbc.com

www.CommercialBC.com

RE/MAX Kelowna - #100 - 1553 Harvey Avenue, Kelowna, BC, V1Y 6G1



0.37 ACRE CORNER DEVELOPMENT SITE & CENTRAL LOCATION KELOWNA, B.C.

Group home or multifamily developments are possible. Located on a high profile corner within walking distance to all amenities including the downtown core

Asking: \$610,000 plus GST MLS®



ACTIVE B&B REVENUE AVAILABLE ON FUTURE WATERFRONT PARK KELOWNA, B.C.

Located in Kelowna's prominent South Pansody corridor. Property has 8 bedrooms, 3 living areas and more. Future planning shows the ability to potentially rezone.

Asking: \$1,250,000 plus GST MLS®



OPERATING & LICENCED RESTAURANT PEACHLAND, B.C.

Well reviewed and offers extras. Located on Beach Avenue steps away from the Okanagan Lake with a great view. Rare, large patio. Summer crowds and local following. Equipment included.

Asking: \$249,900 plus GST MLS®



OFFICES AND WAREHOUSE SPACE WITH EXPOSURE KELOWNA, B.C.

Approx. 3,324 square feet with a bonus mezzanine level of over 1,000 square feet. Multiple offices, board room, warehouse area and more.

Asking: \$12.00 plus NNN MLS®



HIGHLY VISIBLE INDUSTRIAL SITE WEST KELOWNA, B.C.

1.46 Acre corner development site with ease of access and highway exposure. Property is serviced with overhead hydro, electric telecommunications, natural gas, domestic water and sanitary sewer.

Asking: \$1,590,000 plus GST MLS®

COVER Saskatchewan's thriving secondary markets are attracting an array of national retailers

Small towns, big potential

WI STAFF

WESTERN INVESTOR

When veteran commercial developer **Harvard Developments Inc.** of Regina went looking for retail opportunities it didn't need to go far.

Harvard is now completing York Station, a 100,000-square-foot retail centre in Yorkton, a town of 17,000, 187 km. northeast of the Saskatchewan capital where Harvard has been headquartered for 110 years.

The emerging grassroots muscle of small-town Saskatchewan attracted Harvard, as it has an increasing number of name-band developers and retailers.

According to a first-ever Small Market Outlook study by Saskatoon-based **ICR Commercial**, second-tier centres are seeing a sharp upturn in retail investments, indicative of a robust province wide economy.

ICR looked at the commercial retail market in nine towns – Estevan, Lloydminster, Martensville, Moose Jaw, North Battleford, Prince Albert, Swift Current, Warman and Yorkton.

"The strong economy has led to higher retail sales as people have more money to spend. Saskatchewan boasts above average weekly earnings. Coupled with a strong migration to the province, this has provided the opportunity for national and international tenants to explore options in the smaller centres of the provinces," said **Alvero Campos**, market research analyst with ICR.

Yorkton, Campos noted, is the third-largest trading area in Saskatchewan and a vibrant economic centre for the east central region.



Photo: Harvard Developments Inc.

Harvard Developments vice-president Blair Forster: "Saskatchewan retail is recalibrating."

Its trading area of 150,000 people reaches right into Manitoba.

Harvard vice-president **Blair Forster** noted Yorkton is far enough away from both Regina and Saskatoon to develop its own retail community and, when 11 acres became available at a major intersection next to Yorkton's Parkland Mall, Harvard moved quickly.

"We were pleasantly surprised at the positive reception," Forster said, explaining that, rather than building-to-suit for a retail client, Harvard initiated Yorkton Station as a speculative play.

Now half complete, York Station includes a **Dollarama**, **Brown's Social House**, **Dad's Organic Market** and a **Days Inn** hotel.

"Saskatchewan retail is recalibrating,"

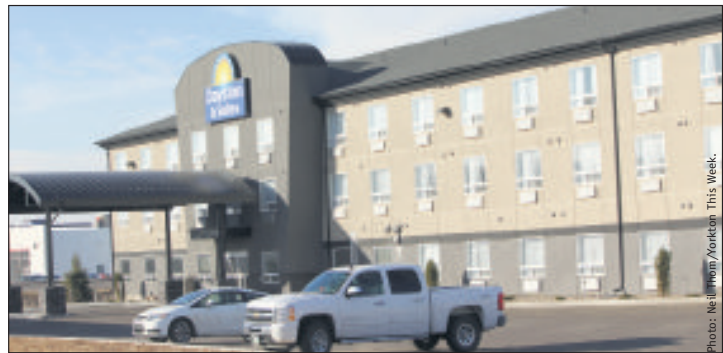


Photo: Neil Linton/Yorkton - This Week

Days Inn, part of the Yorkton Station development in Yorkton, Saskatchewan.

Forster said, noting that small towns are beginning to reclaim their customers. "If you fly on **WestJet** you see the luggage racks full of shopping bags from the U.S. and Alberta, but that is changing."

Potash and oil often garner the headlines in Saskatchewan's economic news, but it is back-to-the-roots agriculture that keeps many towns like Yorkton thriving, Forster added. "When the farming industry is doing well, like it is now, it has a broad impact across the entire province."

Do the math

Forster estimates that an acre of land in Yorkton is one-third the cost of Regina or Saskatoon. Small-town retailers also spend 15 to 20 per cent less for leases than they would in big-city malls, but sales-per-square-foot can be the same or higher.

Retail vacancy rates in most small towns are in the 4 to 6 per cent range, nearly on par with Saskatoon or Regina. Warman, Martensville and Yorkton are closer to 10 per cent, but Campos said this reflects recent

increases in retail inventory. He expects vacancy rates in those centres to decline over the next few months.

Newer national tenants that would traditionally head to Saskatoon and Regina are now moving into smaller centres, he added.

"When you look at a restaurant like **Original Joe's**, they have opened up in Moose Jaw," Campos said. This year, **Brown's Social House** – an upscale diner – opened in Saskatoon, Moose Jaw and Yorkton.

Other highlights of the ICR report include: **Moose Jaw**: Moose Jaw, with a population of 34,400, has an economy driven by several multibillion-dollar mega projects, including the \$3.25 billion **K+S Potash Canada** mine. There are also plans for a new \$100 million hospital, which is nearing

layar SCAN WITH LAYAR TO SEE REPORT ON SASKATCHEWAN ECONOMY

Please see *Potential* page A21



15 Residential Condos - Warman, SK

- 15 minutes from Saskatoon
- Annual Gross Revenue Over \$220,000
- Zero vacancy
- Low maintenance
- Great downtown location
- Granite, hardwood, stainless appliances, in-suite laundry, underground parking. Special pricing for purchase of all suites together.

Contact:

Christine 780-723-4132 or Christine@andersonbuildersgroup.com

D.R. Anderson Holdings Inc.



SASKATCHEWAN

Accelerating success.



R.M. SHERWOOD FOR SALE

- Located at Pinkie Road and Hill Avenue
- Excellent access
- Close to International Airport and Global Transportation Hub
- 104.25-acres industrial zoned
- **List Price: \$60,000/acre**

Ryan Babey, CCIM / 306 536 6111 / ryan.babey@colliersregina.com
Preston Babey, CCIM / 306 533 5071 / preston.babey@colliersregina.com

CAMPBELL ST & HILL AVE FOR SALE

- 62.89-acres industrial
- 78.4-acres residential
- Located inside city limits in the south-west corner near Grasslands and Harbour Landing
- Last remaining large residential development area in Regina
- **List Price: \$14,000,000**

2501 THAYER AVE FOR SALE

- 48,515 SF building
- Split-level, suitable for office, warehouse, and/or manufacturing
- Two (2) dock doors
- 1.794-acre site with ample yard for equipment, storage, or transport
- **List Price: \$2,100,000**

Lloyd Minion / 306 221 4249 / lloyd.minion@colliers.com

901 3RD AVE N FOR SALE/LEASE

- 13,246 SF office/warehouse
- 4,588 SF for lease on built-out 2nd floor
- Passenger elevator
- 4,070 SF warehouse with grade door with retail frontage opportunity
- **List Price \$3,000,000**

Ken Suchan / 306 221 1825 / ken.suchan@colliers.com | Kevin Johnson / 306 281 9929 / kevinjohnson@colliers.com

HWY 11 - GRASSWOOD FOR SALE

- 15.66-acre site
- Highway 11 traffic visibility
- High-profile with excellent access for north and south-bound traffic
- DC1 zoning in Corman Park
- **List Price \$4,300,000**

MIGRATION RIDGE DEVELOPMENT PROPERTY FOR SALE

- 78.14-acre site approved for subdivision
- Located two (2) miles west of Tobin Lake, along Highway 35
- Great for outfitters lodge and resort cottages
- **List Price \$350,000**

Cam Bristow / 306 270 7646 / cam.bristow@colliers.com
Glen Paziuk / 306 664 1207 / glen.paziuk@colliers.com