

The big fixer-upper

Realtor, associates buying CIBC building

JOHN KERNAGHAN
The Hamilton Spectator

Hamilton's makeover master is taking on his biggest project yet -- the CIBC tower at 21 King St. W.

And that has downtown boosters beaming.

Realtor and property manager Dave Blanchard has put together a group of investors who expect to take over the 17-storey mirrored tower, the twin to 1 King St. W., Nov. 10.

The gleaming office building, more than a third vacant right now, opened in 1989, two years after the first tower. It cost \$30 million then but Blanchard and associates in Office Mortgage Investments will pay \$14 million, plus invest more than \$700,000 in equipment. That includes upgrades to electrical, heating and cooling systems.

"This is an A building in terms of size and location, and word on the street is already sending us lots of interested parties," he said.

Blanchard has been involved in 15 downtown properties, including upgrading most of the smaller so-called B office buildings.

Blanchard and investors he has attracted have been a major factor in bringing the office vacancy rate down in the past seven years.

Kathy Drewitt, executive director of the Downtown Business Improvement Area, said 27 per cent of office space was empty in 2002; that has dropped to 18 per cent in the BIA's latest telephone survey.

She called the latest venture "a huge positive for the city."

Still, Hamilton's vacancy rate is almost twice the national average of 9.4 per cent in the third quarter of the year.

Blanchard says his philosophy is simple: take a building that makes sense from an investment standpoint, improve it and then make sure the tenants are happy.

It has worked on three of the four corners at Main and James streets.

In the 1990s, Blanchard headed initiatives to convert the 1928 Pigott/Sunlife complex to condos, make the 1908 Landed Banking building into office space and turn the 1929 Bank of Montreal into high-end space for the Gowlings law firm.

His other retrofitted projects include 25 Main West, the HSBC at King and Hughson



John Rennison, the Hamilton Spectator



and the former Union Gas building at Main and Hughson, as well as One Hunter, a 1950s Modernist low-rise across the street from the Hamilton GO Centre.



Blanchard said the 21 King W. property benefits from several floors featuring special power generation. This is the legacy of CIBC's dedicated space to back up the bank's computerized records.

The realtor, who has done business in Hamilton for 30 years, said that aspect has attracted interest from an existing high-tech business in the city, and an American company is interested in two floors.

Ron Marini, city director of downtown renewal, said the acquisition means both of the A buildings at King and James are in strong hands. Effort Trust controls the other tower.

"That's wonderful news," he said. "Dave isn't one of those guys who came from someplace else and claim to have the big project to cure all ills.

"He's been here working away at rebuilding downtown."

Added John Dolbec, CEO of the Hamilton Chamber of Commerce: "He is a pioneer in many ways and if anyone can make it work, Dave can."

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