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LOCAL

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DEVELOPMENT

Downtown lots sits empty for now

Dispute over lane holds up planning

SEAN TREMBATH
THE STARPHOENIX

The developer who owns the downtown land that used to house McDonald's says it will be the site of a "signature downtown building," but like several other lots in the area, it will be a while before any shovels hit the ground.

"We don't know what we're going to build exactly, but it will be something worthy of that corner," said Ken Achs, president and CEO of the Mid West Group.

The lot, located at the corner of Second Avenue and 22nd Street, has been used for parking since the restaurant was knocked down in the summer of 2013. Achs said his company plans to

build there as soon as possible, but has been held up by a dispute over the adjacent lane.

"We have been endeavouring to buy the rear lane from the city for about two years, and there have been some obstructions put up from neighbours," he said.

Mid West is unable to design a building until it knows exactly how much space it is working with, Achs said.

"We've got several ideas, but until we actually have the land all secured, it's a moving target for us," he said.

The lot is one of several lots in the area that are expected to one day house commercial development but currently sit empty save for parking. Other examples include the space stretching from First to Second Avenues across from Scotiabank Theatre and the lot that used to feature the Patricia Hotel, located on Second Avenue just south of 25th Street.

Gilbert Dobroskay, president of RE/MAX Guardian



GORD WALDNER/The StarPhoenix

Mid West Group CEO Ken Achs says he would like to build a 'signature building' at 22nd Street East and Second Avenue North.

Commercial in Saskatoon, said he is not surprised to see such lots sitting without buildings on them.

"The Saskatoon office market has never been a really, really buoyant market for some time," Dobroskay said.

There is a huge amount of risk associated with building commercial space without having pre-leased the offices.

"You've got to have some major developers with really deep pockets who are confident in the market and

willing to take that chance," he said.

Tough times in resource industries have softened the market, according to Dobroskay. He said there is some speculation that the change to an NDP government in Alberta could lead to some companies from that province jumping ship for Saskatchewan.

"With the new government, maybe there's going to be some major companies in Alberta that may want to take up space here in Saskatchewan," Dobroskay

said. "If they come, we're ready for them."

Achs said high commercial vacancy rates are generally a concern, but that Mid West is ready to build on the old McDonald's lot regardless, citing its desirable location.

"Absolutely it's a concern, but this location is centre ice. As long as we have adequate parking inside the structure, we're not concerned about it," he said.

He said he hopes to break ground as early as next summer, but acknowledged that is an optimistic goal. Whatever Mid West builds, it should open 18 to 24 months after construction begins.

Despite the current dearth of tenants, Achs said he thinks the future will be better.

"We've got to be reasonably optimistic that our market in Saskatchewan has some pretty bright lights ahead of it," he said.

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