

Innovative tower finds tenants for office space

Patience Pays Off; Six major clients sign leases at Le Germain

BY MARIO TONEGUZZI, FOR THE CALGARY HERALD SEPTEMBER 8, 2010

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It was a tough two-year haul in a downtown commercial real estate market that was seeing a cooling in office space demand.

But the unique and new Le Germain 10-storey office tower, right across the street from the Calgary Tower, has secured six prominent organizations as tenants to the building, which is part of a boutique hotel and residential condominium complex.

Climate Change Central, Desjardins, McKinsey, Microsoft, Ogilvy Renault and McKinley Dang Burkart Design Group have signed as tenants in the 87,000-square-foot office tower.

"Securing tenant leasing agreements such as these confirm the vitality of Calgary's economy," said Marie-Pier Germain, marketing manager with Groupe Germain. "We've been working on this for more than two years. Patience was definitely part of the game. But with the diversity of the tenants we got and the quality of the tenants it was really worth the wait."

Only one and a half floors -- or 14,300 square feet -- remain available for lease in the tower. Tenants started moving into the space in June.

Le Germain Calgary Offices comprise one of three components of Le Germain Calgary, Groupe Germain's first multi-concept project, which also includes a 143-room boutique-hotel and 40 luxury condominiums.

It is located at the corner of Centre Street and 9th Avenue.

Nick Kangles, a senior partner in the Calgary office of Ogilvy Renault and local chair of its business law group, said the law firm is new to Calgary.

"We looked at what was available in the city and we looked at a lot of different things in terms of new buildings, old buildings, sublease space, and we were interested in Germain when we saw it," said Kangles. "We knew some of the reputation of the company and we saw them as a quality developer and operator of buildings."

Todd Thronson, managing director with commercial real estate company Avison Young, said there is a "flight to quality" in the city's downtown office market.

"The big corporations are defining that now is a very good time to provide an environment for their staff that's going to be new, modern and welcoming. Retention of staff is very important," said Thronson.

"They're also seeing this as a very good opportunity to get in to more efficient space. The new buildings tend to be bigger floor plates of 22,000 to 24,000 square feet.

"So they're able to get into a building and take let's say six floors versus eight floors or nine floors. That allows a little better synergy within the organization."

According to Avison Young, the downtown office vacancy rate in the second quarter was up to 10 per cent from 9.7 per cent in the first quarter and up from 7.8 per cent a year earlier.

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