

The Bold And The Beautiful

Functionally obsolete real estate was a term used in the last few years to define real estate which by definition did not have significant utility. Real estate professionals and experts considered buildings with a minimum ceiling height of 12-14' clear to be functionally obsolete. I am here to challenge that theory and tell you that it is the furthest thing from the truth. I was personally involved in two positive sales in the last year, both buildings which would have fallen under the functionally obsolete category, which today, represent two revitalized commercial enterprises. The locations of these two facilities are in the City of Toronto where taxes are normally higher and considered by the experts to be in challenging areas. The companies with whom I was fortunate to have participated in these real estate circumstances are extremely proud of their investments. They have done a phenomenal job in preserving solid real estate and in the end, have created a vibrant real estate enterprise. If you have been told that your facility is functionally obsolete, please do not listen to this comment. The following is a brief description of these transactions that clearly demonstrates how significant value can be added to mature real estate.

Last year I was involved in the sale of a building at 20 Pine Street in the former City of York. Ms. Cori Howie of Remax All-Stars Realty Inc. was ably involved in this transaction. This building had been previously used by manufacturing and distribution concerns. The area immediately to the south, the former Bauhaus facility, has been transformed into a new residential subdivision and all the experts said that undoubtedly this facility and surrounding area would also become residential. Our mandate was to achieve maximum value for the property and endeavour to preserve the City's diminishing industrial base. Messrs. Wallace Shaw and Nick Pezzo of Shaw & Pezzo acquired the property and clearly had a vision for their new corporate headquarters. These entrepreneurs have done a marvelous job in transforming a "challenged" facility into a first class commercial enterprise as you can witness from the

this publication. I'm afraid that these photos do not do justice to the efforts of Shaw & Pezzo and I would encourage you to visit their facility as I'm certain you will be thoroughly impressed. The products on display in Shaw & Pezzo's facility are exquisite and complement the first class quality of their building. If the opportunity arises, drive by Shaw & Pezzo at 20 Pine Street, located in the Jane Street and Lawrence Avenue area.

My second experience with "functionally obsolete" real estate was the sale of 15 Torbarrie Road in Toronto. The subject property is located immediately south of the former Workman's Compensation Board facility fronting onto Highway 400. This building possesses a ceiling height of 12' clear and was previously the home to a variety of manufacturing concerns including a pharmaceutical entity at one point. The building was acquired by Kooy Brothers Lawn Equipment Limited earlier this year and displays many fine lines of lawn products and snow removal equipment that Kooy Brothers distributes. This former "functionally obsolete" industrial building is today a first class commercial enterprise fronting onto Highway 400. The vision and enthusiastic efforts of Mr. Bill Kooy in converting this building into a vibrant retail/warehouse facility cannot be appropriately described in print. I strongly urge you to visit this facility as I'm sure you will be impressed with the significant transformation that has taken place at 15 Torbarrie Road. Again, the before and after photograph provided does not do justice to either one of these real estate circumstances.

I challenge all the experts who say "functionally obsolete" real estate cannot be revitalized. I urge you to take a step back before you push the panic button on your so called "functionally obsolete" real estate. Royal LePage Commercial Inc. has a diverse menu of professional services that can help you attain the same success as Shaw & Pezzo and Kooy Brothers achieved in their real estate endeavours. Please contact me personally to further discuss your real



Before



After



Before



After