



## Broccolini targets Montreal's rental market with Golden Square Mile project

The 70,000-square-foot lot, at the corner of Guy and Sherbrooke Sts. offers "unique potential," Kirkland-based builder says.

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### ***Kirkland-based builder Broccolini is making another big bet on Montreal.***

The family-owned construction and real estate company plans to erect a new "flagship" project on a 70,000-square-foot parcel of land it recently acquired in the so-called Golden Square Mile, at the corner of Sherbrooke and Guy Sts., according to a statement issued Tuesday.

While Broccolini didn't disclose the price, City of Montreal data indicates the property at 1496-1538 Sherbrooke St. W. was valued at about \$42 million as of July 2018.

Located close to the Guy-Concordia métro station and Concordia University, the newly purchased piece of land offers "unique potential," Broccolini said. While the site now features an office tower, several possible development scenarios are under consideration, the company said without elaborating.

"Just as our clients have confidence in Broccolini's expertise, we have confidence in the strength of Montreal's economy," Roger Plamondon, Broccolini's head of real estate, said in the statement.

Broccolini is involved in more than \$1.5 billion worth of projects under construction in downtown Montreal. The list includes National Bank of Canada's future 40-storey headquarters, which are due to be ready in 2023 and estimated to cost about \$500 million; the new Maison de Radio-Canada, which is scheduled to open next year; and the Victoria sur le Parc multi-use project, which will feature commercial and office space and a 58-storey luxury condo tower.

"We remain bullish on the residential market," Plamondon said in a recent telephone interview. "There is a shortage on the rental part of the residential market, and condos are still sought after. Montreal is a great university hub, which brings people who are looking for places to live close by."

Broccolini has about 350 employees split between its three offices in Kirkland, Ottawa and Toronto.

The company traces its roots back to 1949, when founder Donato Broccolini took on the task of building a single-family house in Notre-Dame-de-Grâce. Over time, he expanded to such neighbourhoods as LaSalle and Montreal West.

Broccolini began bidding for various government projects in the 1970s before branching out into commercial and industrial construction work for third parties a decade later — in particular, building stores for such big chains as Best Buy, Canadian Tire, Future Shop and Walmart.

During the last decade, the company has financed its transition from a pure contractor to a real estate owner and developer by raising about \$500 million through five different limited partnerships, according to executive vice-president Joseph Broccolini, one of the founder's sons.

"When the company started to do real estate, one of our limitations was the source of funds," he said in the joint interview with Plamondon. The outside capital "permitted us to aggressively seek development activities."

With the most recent fundraising effort having netted more than \$200 million, Plamondon said the company will probably start marketing a sixth fund, either at the end of next year or at the start of 2021.

"To me there is no bigger testimony of trust when people are willing to give you money and make it grow for them," he said. "This is what has permitted us to go into different projects" and expand into Ontario.

One of Broccolini's key projects in Canada's most populous province is the one-million-square-foot fulfilment centre the company is building for online retail behemoth Amazon near Toronto. It's due to open next year.

Plamondon, who has been active in real estate since 1973, says the industrial property market in Ontario and Quebec "is as hot as I can remember."

"There is a great shift in logistics: everybody is trying to get in on the last mile," he said. "There is also a clear interest from governments, especially in Quebec with the government of the CAQ, to pursue industrial development. So that sector is very hot. People actively seek us to be their partner."

The way Joseph Broccolini puts it, the company isn't about to run out of work.

"There is a pipeline of projects that we are looking at," he said. "What you see now is just the tip of the iceberg."