

**INSIDE:**



**PIERRE TRUDEAU'S STAR TURN**

# Maclean's

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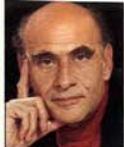
\$1.75

## GROWING PAINS

**The New Fears  
Of The Young**



# Montreal's hot property market



By Peter C. Newman

Last week Charles Bronfman and his newly formed Claridge Investments Ltd. moved into the top three floors of La Place Windsor, Montreal's most prestigious office building, a costly renovation of the old Windsor Hotel. Despite the Bronfmans' expertise in real estate, as owners of Cadillac-Fairview and CEMP Investments, the family hired Stephen Leopold, a 35-year-old local entrepreneur, to negotiate the leasing of their 50,000-square-foot luxury quarters.

It was only the latest of Leopold's many deals that last year saw his firm, Leopold Property Consultants Inc., turn over more than a million square feet of Montreal office space. The business is based on Leopold's contention that real estate brokers offering leases are often working both sides of the street—pushing a particular building they represent instead of assuring their clients' best interests. Leopold negotiates only on behalf of tenants, charging them roughly a third of the first year's rent.

A loyal Montrealeur (whose grandfather arrived from Lithuania in 1905), Leopold launched his unique firm in March, 1977, five months after the election of the Lévesque government. Although he was tempted at the time to take part in the professional exodus from Montreal to Toronto that followed the upsurge in separatist fortunes, he never lost faith in his home town. As a McGill law student, Leopold had enjoyed brief prominence as the only Canadian on the staff of U.S. Senator Sam Ervin's Watergate investigation committee in 1973. He later worked as an executive assistant to Brian Mulroney in 1975 and 1976 during his first leadership run and was an unsuccessful candidate for municipal office.

At the moment, Leopold is exultant about Montreal's long-term prospects, not so much as a regional distribution facility, but as a major economic centre of its own. "What we're realizing in this city at last," he told me, "is just how deeply stagnant Montreal became after the Parti Québécois victory. Our most important building is still Place Ville-Marie. What other of North America's 35 main urban environments has a core structure that's more than a quarter of a century old?"

"Now, for the first time in 25 years," he went on, "we are moving back to-

ward a time when such major new structures will have to be added again. The main projects now under way—Cours Mont Royal, Maison des Coopérants, Place Montreal Trust and Place Felix Martin—will add about 1.6 million square feet of quality office space. But that's only the equivalent of Place Ville-Marie's main tower. There is room for nearly as much quality office space again—and we'll get it."

Since 1980 at least 16 major new of-



Leopold: time for major new structures

fic buildings have been erected in downtown Montreal, with the value of the city's urban building permits topping \$1 billion for each of the past three years. The current vacancy rate for new first-class space is about eight per cent, which is lower than for any major Canadian city except Toronto; rents are up close to 40 per cent since December, 1984. Leopold makes the point that instead of trying to crowd their operations into 10,000 square feet, corporate tenants are now renting

15,000 or 17,000 square feet to provide for future growth.

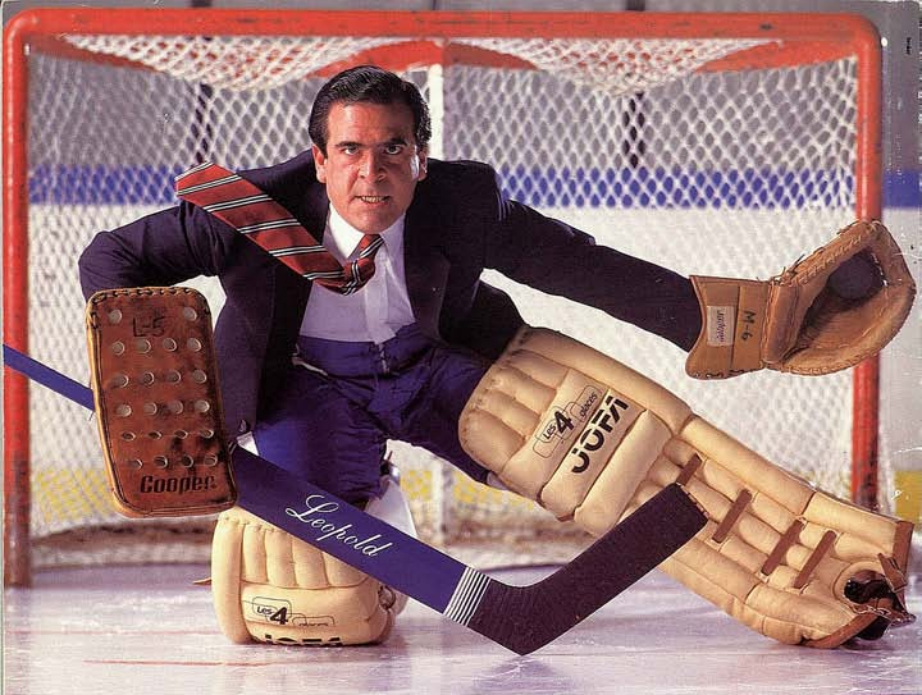
The estimated 140 corporate head offices (employing at least 50,000 executives) that left Montreal after Lévesque's victory, are gradually being replaced by French-Canadian entrepreneurs who stayed and made good, building up their shops and offices from modest beginnings to medium-sized businesses, then taking them public through the Quebec Stock Savings Plan. (About 13 per cent of Quebecers now own stock, compared to seven per cent when the plan went into effect in 1979; the Montreal Stock Exchange last year listed 177 new companies, compared with the TSE's 165.)

Meanwhile the derelict St. James district, once worshiped and cursed as the forerunner of Toronto's Bay Street, is gaining new life. A 300-room luxury \$50-million hotel is being converted out of the former Banque Provinciale du Canada building, and the floor of the old Montreal Stock Exchange is now being used as a theatre.

Although there are weak areas in the Montreal economy (the port is still losing money and not much local high-tech industry has made the grade) city officials recently estimated that at least 3,000 new jobs are being created every month. Part of the optimism has followed the election of Jean Doré as mayor. He is a pragmatic enthusiast, devoid of the grandeur of Jean Drapeau, but much more in step with the current generation's economic aspirations.

The combination of a progressive municipal administration and a sympathetic federal government anxious to revive its electoral chances in Quebec's largest metropolis has produced a climate favorable to business expansion. That environment was improved even further by Robert Bourassa's election as premier in December, 1985. The cabinet he chose—including Pierre MacDonald, a former senior vice-president with the Bank of Montreal, Chamber of Commerce executive vice-president André Vallerand and Proviso executive vice-president Paul Gobeil—has given the private sector plenty of confidence to plan for the next decade.

Stephen Leopold is not shy about staking out his own share of the future, planning to expand his company's activities across the continent. "We'll be a Fortune-500 service company during my lifetime," he predicts, symbolizing the spirit of the new Montreal.



## WHEN THE ISSUE IS COMMERCIAL SPACE WE DEFEND THE TENANT.

No goalie can play both sides of the rink.  
Yet, in commercial real estate, every "specialist" does just that. Except for  
**TEAM LEOPOLD.**

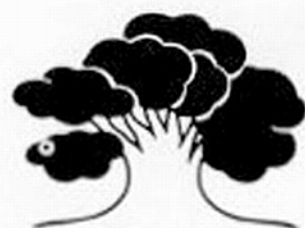
We work exclusively for the user of space.  
That is one of the many reasons why more and more players in the business arena  
are turning to the Leopold team.

If you are a corporate space user, call Leopold.  
We'll defend your bottom line.

*Leopold*

PROPERTY CONSULTANTS INC.

Advisor to the Corporate Space User.



CLARIDGE

CLARIDGE INVESTMENTS LTD.

has moved its offices to  
"Le Windsor"  
1170 Peel Street.

Leopold acted as advisor to the tenant  
in this leasing transaction.

*Leopold*

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PROPERTY CONSULTANTS INC.

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Advisor to the Corporate Space User.