



66 Broadway - Entrance (photo: CS&P)



# A Tradition of Providing Enhanced Value

Third-generation firm works to elevate neighborhoods through development opportunities

Building on sustained success as developers, owners and managers of multifamily residential properties, the Birnboim family of Toronto is contributing much to the commercial landscape of the city. Through their firm, Beaux Properties International Inc., they seek opportunities to add value to parcels of land and buildings and, in the process, have a positive impact on neighborhoods.

Max Menashe and Sophia Birnboim made their new company's first major real estate investment in the 1960s, developing the Arizona Plaza in Winnipeg, Manitoba, and operating the property with their son, Roy. Other multifamily residential investments followed, and Beaux Properties ultimately became the owner and manager of thousands of apartment units.

Today, Roy's son, Jason L.S. Birnboim, serves as President of the company, which has holdings in Ontario, Alberta, British Columbia, New York and the Bahamas. He continues to retain the same business priorities his family emphasized from the beginning.

"We tend to be fairly conservative in our investment approach," says Birnboim. "We generally look for opportunities with some sort of value enhancement to the underlying real estate asset, whether it's through repositioning or a ground-up development project."

He recalls the Toronto real estate investment climate that led to Beaux Properties' diversification into commercial real estate development and management.

## Beaux Properties International

**PRESIDENT**  
Jason L.S. Birnboim

**LOCATION**  
Toronto, Ontario

"In the late 1990s, as the market began to mature after the crash of the early 1990s, acquiring new multifamily properties started to dissipate a bit from my dad's perspective," Birnboim says. "He started looking elsewhere for higher risk-adjusted yields and for opportunities that he thought would be value enhancing. Toward the later 1990s, we branched into the hospitality sector in hotels, originally in New York and then Chicago."

From there, the firm became more comfortable pursuing other commercial development opportunities by leveraging existing local connections and forming partnerships.

"It was sort of an unconscious decision that the multifamily sector had, to some extent, matured, although ironically since then it has grown significantly on an appreciation basis," Birnboim says. "We thought the prospect for higher risk-adjusted yields was more attractive in [commercial] development, although we have consistently retained a sharp focus on multifamily assets, as well."

#### URBAN EMPHASIS

Another investment philosophy that has proven successful for the firm is its concentration on income-producing properties in urban centers.

"It goes back to the core of our investment strategy for being conservative and really always looking at the downside of an opportunity before even contemplating the profitability analysis and carefully modeling a proforma," Birnboim says. "We have seen and continue to witness a trend, probably since the late 1990s, that a re-urbanization was taking foot in major North America centers. We felt that if you own property in well-transited neighborhoods and large urban areas that are growing, there's always a better fallback for tenants. But our concentration is in the Toronto area, so [for] opportunities outside Toronto, we generally look for local partners and local expertise."

One such property is Keys Crossing, a commercial retail plaza on Hunt Club Road in Ottawa, which is scheduled to open this summer. The property's tenants include various national retailers, restaurants and medical providers.

#### GREEN AIR MECHANICAL

Congratulations to Jason and the Beaux Properties team and your continued success, we are so proud and honored to be a part of it. Green Air Mechanical is a proud Canadian company, servicing the Greater Toronto Areas, with over 10 years in commercial, and residential building service, we are a fully qualified, and integrated company in the building service industry. We service High rise residential, commercial and industrial properties. With the knowledge to troubleshoot the smallest, to the largest of issues. Although a relatively young company, our collective experience, have given us the experience needed to troubleshoot your problems. We try to provide our customers with cost effective ways of getting your building up, and running efficiently.



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More recent in the Beaux Properties development pipeline is the repurposing of a Toronto industrial building formerly home to an equipment company. The firm is transforming the property, known as 33 Laird, into a trendy retail and office destination.

"It's an existing manufacturing facility in a very mature and stable core Toronto neighborhood," Birnboim says. "It's an area that has been transitioning from industrial to commercial use and it was one of the last available pieces in this node. We are retaining much of the existing structure, repurposing and reusing a very architecturally interesting building with a heritage designation, and on top of that adding a new building. The result will be an interesting contrast of styles."

Food retailer Organic Garage will be the anchor tenant at 33 Laird, while a handful of potential buyers are looking into office condos for sale at the development, as well.

"We're excited to get started," Birnboim says. "I think that the neighborhood will be very pleased with the addition of our project once it's completed."

#### FLEXIBLE JOINT VENTURES

When it comes to partnerships, Beaux Properties specializes in structuring flexible joint ventures. A case in point is an enclosed shopping center near Ottawa called The Katimavik Mall, which the firm recently acquired.

"They were contemplating demolishing the property," Birnboim says. "But for us, it was an exciting opportunity because we intend to reposition it—we are going to fill in the common areas with complementary uses, such a children's gymnastics studio. We are able to

take advantage of the existing structure and add some additional restaurant pads on the property, as well."

Beaux Properties acquired the development with an existing partner, which Birnboim credits for moving through the processes of due diligence, financing and municipal approvals at an expeditious pace.

"We also brought in another less active capital partner, and the intention is to stabilize it with new tenants and sell some of the retail space and then retain what's left, which is probably 60 percent, and have some income-producing property for the group," he says.

The development team is giving the property an extensive "facelift," according to Birnboim, who lists occupants as Metro grocery, Mandarin (a "busy Chinese buffet"), a children's gymnastic studio, medical facilities and a wide array of other local tenants.

#### FANTASTIC MARKET

Birnboim stresses that Beaux Properties' home city of Toronto continues to be a great place to do business.

"We feel fortunate to be based here," he says. "The city has gotten a lot of attention recently, both nationally and internationally, because of its very strong and arguably overheated housing market. We've been able to experience solid growth of our own through the opportunities that we have spent years cultivating, and we look forward to providing more new rental housing for the people of Toronto." ■

