

# Blackstone buys T.O.'s Atlantic Complex in JV with Kevric



99 Atlantic and 40 Hanna Avenues in Toronto are now owned by a JV involving Blackstone and the site's developer Kevric. (Courtesy 99atlantic.com)

**Global real estate giant [Blackstone](#) has acquired the [Atlantic Complex](#) office property in Toronto's Liberty Village in a partnership with Montreal-based [Kevric](#) for \$240 million.**

The complex comprises 99 Atlantic and 40 Hanna Avenues, two buildings with very different lineages.

Blackstone acquired the interest in the property which had been held by [PSP Investments](#). Kevric was also previously a partner in the Atlantic Complex, leading the development and redevelopment projects for the assets.

Kevric remains as managing partner of the new joint venture with Blackstone, a New York City-headquartered firm which invests across a variety of asset

classes on behalf of pension funds and other leading institutions. The firm had \$230 billion in real estate assets under management at the end of Q3 2021.

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## Blackstone and the Atlantic Complex

“Our goal is really to identify assets in the best locations with the best physical characteristics that attract the best tenants, particularly tenants in the creative and tech industries,” Nadeem Meghji, Blackstone’s head of real estate, Americas, told RENX in an exclusive interview. “Atlantic Complex is really a premier building that is an adaptive reuse, with a new construction component, that really does serve those types of tenants.

“It’s also in a neighbourhood that is in one of the most dynamic and up-and-coming parts of the city.

“We’re in a world where the office business is clearly evolving, but what we know is tenants want to be in new high-quality buildings with great amenities. That’s what this asset is.”

The deal for the two buildings was brokered by [RBC Capital Markets Real Estate Group](#).

Kevric has been involved with properties in the Liberty Village neighbourhood since 2007, but sold off others while retaining 40 Hanna and 99 Atlantic because of their development potential.

## Blackstone in Canada

The investment checks off all the boxes Blackstone is looking for as it seeks to deploy more capital in Toronto, and in a very particular type of office class.

“For us, not all office is created equal,” Meghji explained. “This particular complex in this location, we think it is just incredibly well positioned. Increasingly what we find is tenants view the office building as an important part of talent recruitment. That’s why they want to be in these types of cool office buildings and that is part of what attracts us to a building like this.”

At the Real Estate Forum in Toronto this week, both Meghji and Blackstone president and CEO Jonathan Gray were participants, signalling the company's growing interest in Canada. Meghji told REX Toronto is of particular interest.

"We're big believers in Toronto. We think there are really interesting dynamics in this market, driven by technology. We see an enormous concentration of really well-educated knowledge workers and that has really attracted us to the knowledge market.

"For us Toronto continues to be a market of high focus. It's a place where we want to deploy more capital. It's really about identifying the right buildings and with the right partners. In this transaction we are really excited to be partnering with Kevric, who was the original developer of the property."

## The 40 Hanna and 99 Atlantic development

Kevric redeveloped the former [Brunswick](#) billiards table company building at 40 Hanna, which was built in 1905 and includes brick-and-beam office space with ground-floor retail. Tenants of the five-level, 120,000-square-foot building include [Live Nation Canada](#), [Loblaw Digital](#), [Trend Micro](#), [Organic Garage](#), [Flashfood](#) and [Scotiabank](#).

The eight-floor building at 99 Atlantic broke ground in early 2018 and was completed in 2020. It has 134,000 square feet of office space, 13,000 square feet of street-front retail space, 12-foot ceilings, barrier-free access and four levels of underground parking with 205 spaces.

The fully leased building also includes: green and white roof sections; four sides of natural light; a bicycle storage room; tenant shower facilities; energy-efficient heating, ventilation and air-conditioning systems; high-efficiency lighting; and sustainable curtain walls and construction materials.

Tenants include [Blue Ant Media](#) and [Sony Music](#) among other commercial and retail businesses.

Both buildings offer easy access to the King Street streetcar and the Exhibition [GO Transit](#) station at the south end of Atlantic Avenue.

Liberty Village is a formerly declining industrial area that's been revitalized in this millennium with new condominiums, office space, stores, bars, restaurants and craft breweries.

## About Kevric

Richard Hylands formed Montreal-based Kevric in 1997. The company specializes in the redevelopment and repositioning of existing properties and the development of new ones, primarily in Montreal, Toronto and Ottawa/Gatineau.

Kevric's Toronto portfolio also includes [100, 200 and 300 Consilium Place](#) and [Six5 Studios](#), while its Montreal portfolio includes [Tour Viger](#), [Place Bonaventure](#), [600 De La Gauchetière West](#) and [1100 Atwater](#).

*– With files and additional reporting by Don Wilcox*