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## The urban firm

**King Street Holdings takes rundown units and turns them into attractive places to live**

CHUCK HOWITT

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King Street Holdings is one of those darlings of the environmental movement, the saviour of anyone opposing sprawl.

It specializes in infill and brownfield redevelopments, transforming rundown, derelict, inner-city buildings and properties into attractive, desirable dwellings.

One of its most recent projects is Betzner Brownstones, a townhouse project on King Street East in Kitchener. Three boarded up houses used to stand on the site.

King Street Holdings tore them down and erected a handsome, two-storey structure made of old-style brown brick that has given a badly needed facelift to a tired and neglected section of downtown Kitchener.

"We're very much focused on infill and urban-friendly core projects," says co-owner Chris McNabb, a youngish-looking and energetic 44-year-old, whose tousled blond hair and ever-present smile prompt comparisons with actor Owen Wilson.

### WORKING THE PHONES

McNabb is clearly a man who enjoys what he does. He breezes into the company's uptown Waterloo office with an enthusiastic hello, kibitzes with his controller Tim Bartlett, then announces he'd rather continue the interview over a hearty lunch next door at McMullan's pub. There, he jokes with pub staff and cajoles the chef into making something that's not on the menu.

Dressed in khaki shorts and matching T-shirt, he looks more like a grad student than the co-owner of a company with more than \$2 million in annual revenues and 12 residential and commercial properties in an area encompassing Waterloo Region and Brantford.

He interrupts the interview to take the occasional call on his cellphone and says he can't believe it hasn't been ringing more. "I took 30 phone calls in the last hour," he says.



PETER LEE, RECORD STAFF

King Street Holdings' Chris McNabb (left) and Lee Brubacher stand in front of the Betzner Brownstones at King and Betzner in Kitchener.

McNabb didn't build the company into what it is today by himself, but he's been kind of a solo act for the past year. Partner, Lee Brubacher, 56, has been on a year-long sabbatical on his boat in the Caribbean and just returned last weekend.

## CONVERSATION PIECE

Befitting the casual approach McNabb prefers, King Street Holdings was born over a conversation the two had in a pub about 10 years ago.

The pair weren't close friends at the time, but knew each other and shared a thirst for something different.

McNabb had been selling risk insurance at the time to athletes and truckers, but enjoyed doing renovation work with his dad and while a student at the University of Waterloo.

Brubacher, meanwhile, had worked in the construction business for many years but was open to new ventures. McNabb's energy and enthusiasm clearly appealed to him.

Their first project put them boldly on the real estate map. They took an old house on King Street near Bridgeport Road and transformed it into the eye-catching Failte Irish pub, a magnet for beer-lovers ever since.

They continued their success in the pub trade by renovating a building down the street at 56 King St. N. Painted a soft orange and burgundy, the one-storey brick structure now houses McMullan's Pub, the Leung Yue Restaurant and the King Street Holdings offices, along with several other small businesses. McNabb admits they had no formal business plan at the start. "We've done a lot of thinking on our feet."

## AFFORDABLE HOUSING

After 56 King, the company took an unexpected turn into the affordable housing business. King Street Holdings was in the process of renovating and adding units to an old apartment complex it had purchased on Spadina Road near St. Mary's Hospital in 2001.

At some point, they decided to approach Waterloo Region to ask for a break on the development fees it charges to pay for the road and sewer improvements needed to service the new project. Instead, the region proposed something else -- a forgivable loan if the company agreed to keep the rents in the 67 units at 25 per cent below market level for the next 20 years.

The company agreed to the deal and has gone on to do other subsidized housing projects. These include a 66-unit housing project on Walnut Street near Victoria Park, a 35-unit townhouse complex behind the old firehall lofts on Highland Road in Kitchener, and a 52-unit complex, nearing completion, on Lena Crescent in Cambridge.

King Street Holdings also builds upscale units such as the Betzner project and a nine-unit building on Woolwich Street in the Bridgeport area, done in the same brownstone style.

For its latest project, the company is turning a 140-year-old church in Brantford into 17 loft-style apartments. In all the company owns 10 residential properties, housing more than 300 units, and two commercial buildings.

King Street Holdings has eight employees to manage its office, buildings and new projects. It contracts out all the construction work to subtrades.

Brubacher and McNabb invested their own money and a bank loan to launch the company. Some of their tradespeople have also invested in the company as "equity shareholders," McNabb says.

"We've never had an issue with payment with our trades. The bank is actually dumbfounded, we've never had a lien (registered against the property for an unpaid bill).

"Our partnership and our relationship with our trades make our projects," McNabb adds.

At the end of each project, the company holds a party with all the subtrades to celebrate.

The company advertises available apartments through local newspapers and markets its company name by word of mouth and occasional articles in the media.

More information on its properties can be found on the company website (<http://www.kingstreetholdings.ca/> although it is in the process of being updated, he says.

Annual revenues are now more than \$2 million. "Nobody is getting rich here," McNabb is quick to add. "This is a long-term project. We're committed to this for 20 years plus."

As for choosing its projects, the company probably looks at 10 sites before it selects one to develop, he says.

Rob Horne, commissioner of planning for Waterloo Region, doesn't have to be prodded to sing the praises of King Street Holdings.

"I think they're unique, to be quite honest with you."

Their Spadina Road project was a first in Ontario for private-public developments in affordable housing under the new Municipal Act, he says.

They took a "very much rundown apartment complex" and significantly improved the neighbourhood, he says.

The company has blazed the trail in affordable housing for other private companies to follow, Horne says.

Not only that, their product is "superior" with larger-than normal units, good layout and excellent maintenance, he says.

McNabb didn't leave his other job as an insurance agent until five years ago, leading to some pretty long days in the early years of King Street Holdings.

Nowadays he works a pretty traditional work week, except that his phone is on 24/7. "If there is an emergency it must be dealt with."

In recent years, King Street Holdings has decided to branch out beyond Waterloo Region. The Brantford church is one such project, and the company has a couple of potential sites in the works in Woodstock.

"I just hope the market and the economy allows us to continue what we're doing," McNabb says.

[chowitt@therecord.com](mailto:chowitt@therecord.com)

## Q & A

We asked Chris McNabb, co-owner of King Street Holdings:

Q: "Do you prefer to renovate old properties or build new ones?"

McNabb answered:

A: "They each have their merits, they each have their issues. Planning is the hardest part. I really get excited about the planning part."



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