



Jennifer Geens/NNSL photo

Work on this \$12 million office building in downtown Iqaluit will continue and wrap up this summer, according to Mike Mrdjenovich, head of Nova Builders.

Staking a claim in both capitals

Nova Builders busy with office buildings in Nunavut and NWT

by Guy Quenneville
Northern News Services
Yellowknife/Iqaluit

In the North, supply can often fuel demand.

That about sums up the strategy of Nova Builders, the Edmonton-based construction company headed by longtime Northern builder and founder, Mike Mrdjenovich.

Nova recently wrapped up construction on a 60,000-square-foot office building near downtown Yellowknife and is working on a 35,000-square-foot office building in Iqaluit.

The company doesn't build at the request of others but rather builds where it sees opportunities – and hopes it's right, as Mrdjenovich explained.

"I built it on spec," said Mrdjenovich of the \$12 mil-

lion Iqaluit project, which is slated for completion at the end of the summer.

In this case, Mrdjenovich is banking on demand for office space in Iqaluit and the building's location on a busy corner that used to be the site of the Kamotiq Inn Restaurant.

"I thought it was a good location," he said. "It's right downtown, and there's a shortage of space. People are leasing every little cubby hole (and houses, all over town. I think it was time to build one."

He already has a confirmed tenant: the First Nations Bank of Canada.

In spring 2008, commercial lender Atuqtuarvik Cor-

poration bought one-fifth of the bank's outstanding shares, becoming the bank's second-largest shareholder.

The two organizations entered into an agreement to open a new full-service bank under FNBC's name in downtown Iqaluit next fall.

Mrdjenovich said the bank's materials for the interior of the bank should arrive in Iqaluit by sealift in

August.

He's also hopeful the GN will come knocking for space.

"Government might come in and take three floors," he

"I think it was time to build one."



Guy Quenneville/NNSL photo

Project manager Duke Savich, left, foreman Milan Mrdjenovich and Nova Builders founder Mike Mrdjenovich stand proudly in front of the \$10 million to \$12 million office building the company recently completed in Yellowknife.

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Nova eyes next projects for Yellowknife

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said. "I'm not worried. I think it will all rent out."

Approximately 20 to 30 people worked on the project last summer, 10 of them from Iqaluit, added Mrdjenovich.

The building is now fully enclosed and is currently undergoing mechanical and electrical work.

The same development principle prompted Nova Builders to construct an office building in the downtown

core of Yellowknife, at a cost between \$10 million and \$12 million.

Mrdjenovich's son, Milan, a director and co-owner of the company, oversaw the project, which was completed in March.

Environment Canada has taken up the top two floors of the building.

When Nova received the contract from Environment Canada to build the floors to the department's specifications, Nova's crew peaked at 25 workers, about 10 from Yellowknife.

"This time last year, we didn't have any tenants moving in," said Milan. "I completed the building up to base building standards, which is just drywall, taped, electrical. As soon as we got awarded the contract at the end of the summer last year, I came directly back to begin construction on tenant improvements."

As in Iqaluit, the Yellowknife project came about when Nova saw an opportunity for development, said Milan.

"If you're look at Yellowknife, there's not any new leasable office space," he said. "Everything's pretty much getting dated right now in the downtown core. There's a need, so we just addressed that."

GNWT departments have

also expressed interest in the building, he added.

Nova Builders definitely has its mind set on building a new apartment building in Yellowknife – it's just a question of when, said Milan.

While Yellowknife Mayor Gord Van Tighem previously told *News/North* that a major developer was eyeing a construction start in April, Milan said the current economic slowdown is forcing the company to hold off its plans.

"We're definitely playing

around with the idea," said Milan. "But given the state of the economy right now, and how things are, we're just trying to see where things are going to end up."

Yellowknife's apartment vacancy rate was 0.9 per cent in 2008, according to the Canada Mortgage and Housing Corporation (CMHC).

Richard Goatcher, senior analyst with CMHC, predicted the rate will move up – barely – to one per cent in 2009.

"Is there demand for new

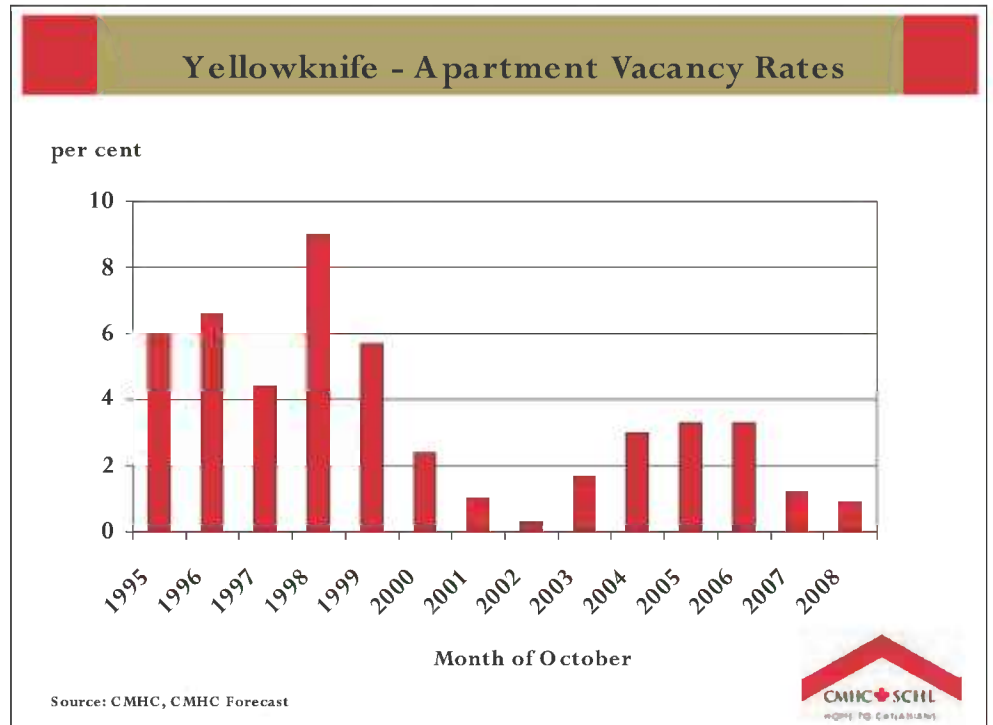
(apartment) construction building? I think there is," he said. "When you have a vacancy rate of around one per cent, that's going to keep upward pressure on rents. And rents are already relatively high here."

Milan said Nova has a location already picked up for a new apartment building: the former Bartam Trailer Park on School Draw.

"We have land tied up there and it's definitely on the future to-do projects list," he said.

Nova Builders Project Specs	
Yellowknife office building	
Size:	60,000 square feet
Number of floors (including ground floor):	4
Construction started:	June 2007
Construction complete:	March 2009
Capital cost:	Between \$10 million and \$12 million
Confirmed tenant:	Environment Canada
Peak construction workforce:	25
Number of Yellowknife workers:	10
Iqaluit office building	
Size:	35,000 square feet
Number of floors (including ground floor):	4
Construction started:	Summer 2008
Projected completion date:	Late summer 2009
Capital cost:	\$12 million
Confirmed tenant:	First Nations Bank of Canada
Peak construction workforce:	20 to 30
Number of Iqaluit workers:	10

Source: Nova Builders



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