

Investors plan to fix rundown buildings

Tenants had hoped they could turn the buildings into co-op apartments.

By Don Murray
The London Free Press

Veteran London developer and property manager Peter Sergautis confirmed Tuesday he is the "front man" for a group of silent investors who want to buy the Cheyenne apartments and renovate them as a long-term investment.

Sergautis, who declined to identify the investors except to say he is one of them, said the group has entered into an agreement to purchase with the National Bank of Canada. The tentative closing date is Nov. 16.

The bank took control of the buildings at 95 and 105 Cheyenne Ave. in July after owner Elijah Elieff fell about \$400,000 behind in mortgage payments.

Sergautis said the investors were looking for a "long-term sta-

ble investment and I recommended this to them."

If the undisclosed offer is accepted he said he will act as general contractor and property manager. Sergautis, who owned Centretown Mall from 1986-89, said he has owned, renovated and managed more than 80 properties in the London area in the past 18 years.

He said plans are being prepared to renovate the badly rundown buildings. Structurally they are sound he said, "but they have been let go."

SOLID: The investors have the opportunity "to walk into a shell and upgrade them. They'll never be luxury mansions, but good, clean affordable, solid accommodation."

Sergautis declined to comment when asked about the possibility of a deal with the tenants, who have been trying for some time to buy the properties and run them as co-op apartments.

"I can only repeat that the objective of this is a long-term investment. We don't intend to resell in the near future. We're

looking at the long-term."

Meanwhile, the tenant group is up in the air, said Susan Eagle, the community outreach worker who has been involved in the Cheyenne situation for years.

The group has still not heard from the ministry of housing on its application for funding to enable it to make an offer on the buildings. That word had been expected by mid-October.

"We really can't say anything at this point because we don't know what (the buyers) intend to do," said Eagle.

She said the tenants will be interested to see the extent of the Sergautis group's commitment. Independent consultants who testified at the recent human-rights hearing into discrimination charges against Elieff estimated it would cost \$400,000 just for cosmetic repairs, Eagle said.

As an investment, the buildings aren't attractive, she said. "We've been told that the investors won't be able to get their money back on the private market unless they do major renovations and attract long-term tenants."