

COVER Winnipeg is buzzing about potential return of NHL franchise – but there is plenty of other action

Big league city

GEOFF KIRBYSON
WESTERN INVESTOR

The Manitoba capital is buzzing with anticipation of the **National Hockey League** returning after a 15-year absence as attempts to keep the **Phoenix Coyotes** – the former **Winnipeg Jets** – in the desert seem to be unravelling further with each passing day.

Rumours and media reports have been gaining steam that the proposed sale of the team to Chicago businessman **Matthew Hulsizer** is in trouble as an Arizona-based watchdog has threatened to sue the **City of Glendale** if it follows through on plans to sell \$116 million in bonds to help fund the deal. The **Goldwater Institute** maintains the transfer of bond proceeds to Hulsizer violates the gift clause in the state's constitution that forbids giving taxpayer money to private companies.

If the deal falls apart, it's expected the hockey team will be purchased by **True North Sports & Entertainment**, a company controlled by the **Chipman** family in Winnipeg and **David Thomson**, Canada's richest man. "The Jets coming back to Winnipeg would be huge, just huge," said **John McCallum**, a finance professor at the I.H. School of Business at the **University of Manitoba**.

The relocation of the team would be a significant vote of confidence in the city, as it would propel Winnipeg back into the elite club of municipalities in North America that can support a major league sports franchise. It would also signify how far the city has come since the team left at the end of the 1995-96 season, he said.

"It would sure say we're a major league city. It would say we have the spending power and the economic base to support a sport at the very highest level that it's played at in the world. Professional sports isn't a charity, it only goes

where it thinks it can make a decent buck and only stays as long as it thinks it will keep making a decent buck," McCallum said.

"We've got an economy with one million people that cranks out about \$50 billion a year in GDP. I think the numbers work here. I think the economic base exists here."

Major draw

The return of the Jets, or whatever the team might be called, would instantly make Winnipeg a destination location for people as far west as Regina, east to Thunder Bay and south to Grand Forks and Fargo, North Dakota. Coupled with other attractions, such as an **IKEA** store and the **Canadian Museum for Human Rights**, both of which are scheduled

"The Jets coming back to Winnipeg would be huge, just huge"

to open in a couple of years, Winnipeg's future is becoming increasingly bright, he said.

"It will be a real positive if you can get people to come here for a four-day weekend for these attractions," he said.

Dave Angus, the president and CEO of the **Winnipeg Chamber of Commerce**, agreed. He said the return of the Jets – or perhaps the **Atlanta Thrashers**, a second NHL team that could be relocated before this fall – would be a significant branding opportunity for Winnipeg.

"We know what sports franchises mean to a city in terms of international branding and awareness and the positioning of our city in terms of being a major city in Canada. It helps to have that recognition when you're trying to do trade development or chamber-to-chamber work to identify opportunities to different areas around the world. That's an asset that can be

leveraged for economic gain," he said.

"That's the magic of professional sports. It's up to us to incorporate that asset into our strategy and use it to our advantage."

Angus said last month's announcement that a world-class polar bear exhibit will open at the Winnipeg zoo in 2013 will be a "tourist magnet."

On top of that, the nearly finished new terminal building at the **Richardson International Airport** and the recently approved new stadium for the **Canadian Football League's Winnipeg Blue Bombers** at the **University of Manitoba**

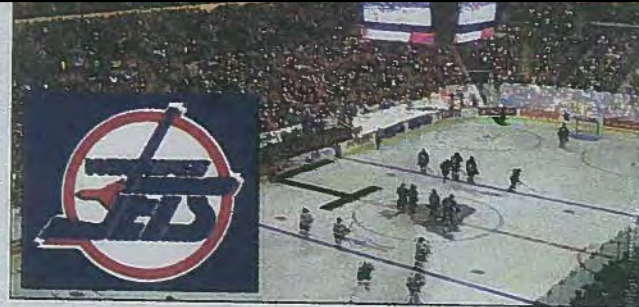
campus will continue to transform the city.

"People who haven't been here for a few years will be amazed," he said.

Angus said he's also optimistic that the efforts of **Yes! Winnipeg**, a private-sector-led initiative with a two-pronged goal to attract corporate head offices to Winnipeg and to increase the size of current firms in the city, will bear fruit, too.

He said it has already played an instrumental role with three companies that have decided to open or expand in the city and it currently has 37 active opportunity files under development across nine sectors. They include trying to convince a prominent U.S.-based retailer to establish its Canadian head office and regional distribution centre in Winnipeg and a Quebec-based company to select Winnipeg as the site

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(TOP) Winnipeg's MTS Centre arena, now home to the Manitoba Moose, is ready to welcome the NHL. (INSET) Old Winnipeg Jets logo. (LEFT) Construction is nearly complete for the expansion of the Richardson International Airport.

for a new hospitality concept.

"We're going to see announcements coming from them in terms of job creation and the attraction and expansion of companies locally that will continue over the next few years. I've never seen so much momentum in my 11 years [at the chamber] related to economic development," he said.

Housing

The good vibrations throughout the city are expected to trickle down to Winnipeg's housing market, too. It should remain strong for 2011 and the foreseeable future, primarily due to the city's vacancy rate of 0.8 per cent, which is among the lowest in the country, according to **Wes Schollenberg**, a principal
Please see *Immigrants* page B30

The total investment for a 20-25 person business is from \$350,000 to \$450,000, including an initial franchise fee of \$30,000. There is also a 5 per cent royalty fee and a 3 per cent advertising fee. ♦



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IMMIGRANTS from B29 with **Avison Young** and manager director of its Winnipeg office.

“You just can’t rent in Winnipeg,” he said. “If you sold your house and were an empty nester and wanted an apartment, you can’t find one. Even if you were going to spend \$1,500 per month, it would be very difficult to find one,” he said.

The average house in Winnipeg is a 1,100-square-foot, three-bedroom bungalow that sells for about \$240,000. Schollenberg said the market rose between 8 per cent and 10 per cent in 2010 and it’s expected to do about the same this year.

He said the strength of the market can be partly attributed to the 15,000 immigrants who come to Manitoba every year, with about half of them settling in Winnipeg. Not only do they put pressure on the apartment and housing stock, but they also help out in related areas by spurring the sales of appliances, furniture, decks and food.

“The big home centres are very busy. There is a significant amount of cocooning going on. People are doing more renovating [to their homes] than ever before,” he said.

Tight market
 Demand for industrial space is on the rise in Winnipeg as nearly all of the current stock, most of which was built in the 1970s, has low ceilings and isn’t very energy efficient, is virtually all leased up, according to Avison Young.

Quick facts



Winnipeg, M.B.
Population 720,000
Average house price \$240,000
Apartment vacancy rate 0.8 per cent
Office vacancy rate 9 per cent

Schollenberg said Winnipeg’s retail vacancy rate is at its lowest point in 15 years while the office vacancy rate remains stable at around 9 per cent.

McCallum believes Winnipeg will perform slightly better than the Canadian economy in terms of gross domestic product and job creation in 2011 thanks, in part, to many local businesses that have carved out niche markets selling into the U.S.

“We’re not going to lead the country but I think Winnipeg will put up some pretty solid numbers,” Schollenberg said. ♦

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