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Storefronts in Osborne Village precious

With patience, luck you might get a spot on the Osborne strip

By: **Murray McNeill / Commercial Real Estate**

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RUTH BONNEVILLE / WINNIPEG FREE PRESS [Enlarge Image](#)

Silver Lotus owner Judy Coy got a larger space on the Osborne Village strip only because her landlord also owns her new premises and gave her first dibs on it.

It's been a long time coming, but one of Osborne Village's oldest retailers is moving to larger quarters.

Silver Lotus, which has been a staple in the Village for 25 years, will be moving on April 1 to the recently vacated Dream On Futon space at 103 Osborne St. Although it's just a few doors down from its current address at 111 Osborne, the new space is more than twice as big, at nearly 1,000 square feet. It wasn't easy to come by.

The jewelry boutique's owner, Judy Coy, said it's always a challenge finding vacant storefront space in

the heart of the Village. She said she had to wait four or five years for the right spot.

She was only able to snag the Dream On Futon space because her current landlord also owns that building, and he knew she was looking for a larger space. So he gave her first dibs when it became available at the end of December.

Coy said this is the fourth time she's moved to larger quarters since she opened her store in the Village a quarter-century ago, and each time it took a while to find the right space.

"The key is to be patient."

One of the Village's newest merchants, Rafael Bustillo, also knows all about the need to be patient.

He and his wife, Iryna, pounded the pavement for more than a year before they lucked into a 450-square-foot spot for their new Liberty Tax Service and bookkeeping practice at 194 Osborne. And they only got it because the owner agreed to subdivide his space into two smaller units.

Bustillo said that up until that point, every storefront they inquired about was either occupied, had a waiting list of prospective tenants or already had been promised to someone. "We were lucky the landlord was able to fit us in and we are incredibly excited to be where we are."

Susan McCain, executive director of the Osborne Village Business Improvement Zone (BIZ), agreed the Bustillos got lucky.

"It's true. Almost every storefront is filled," McCain said. When one does become available, it seems to get snapped up almost right away.

McCain said she knows of only one other vacant storefront at the moment -- the former Mode Trend Ltd. space at 120 Osborne. It became vacant a week or two ago, but likely won't be available for long.

Rennie Zegalski, a commercial leasing specialist with the Winnipeg office of CBRE Ltd., said the firm is already in negotiations with a prospective tenant who wants the space. They haven't finalized a deal, so he couldn't reveal the name.

Zegalski agreed the demand for storefront space in the area remains strong, although he said the same could be said for most of the retail hot spots in the city.

"Winnipeg's retail sector has been doing well as a whole. (It's) very strong right now," he said. "It (the vacancy rate in the Village) has tightened up, but I think it's generally a market situation, not just Osborne Village."

Zegalski said the area still faces some challenges. There are pockets of vacant space on the second and third floors of several buildings, and store closures still occur from time to time.

The area faces stiff competition from the Polo Park Shopping Centre and other regional malls in the city, he said, especially when it comes to attracting bigger retail chains.

Zegalski said he returned recently from a national retail conference in Whistler, B.C., and Winnipeg's retail market was getting some glowing reviews from a number of national and international chains that have outlets here.

"I was consistently hearing that everyone is doing consistently well," he said. "If they're not, it's because they're in a segment of the industry that's not doing well, like Rogers or Blockbuster."

Wayne Johnson, author of the Johnson Report on commercial vacancy rates in Winnipeg, said the city's

retail sector is on a 10-year roll that has seen vacancy rates tumble to amazingly low levels.

Johnson said his recent year-end market survey showed the city's overall vacancy rate has fallen to its lowest level in two decades, at 3.3 per cent.

"The retail market in Winnipeg is hotter than the weather, and there is no reason to think that will change (anytime soon)."

Know of any newsworthy or interesting trends or developments in the local office, retail or industrial real estate sectors? Let real estate reporter Murray McNeill know at the email address below or at 697-7254.

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Comparison of retail vacancy rate (%) for Winnipeg and Osborne Village/Fort Rouge area over the last 10 years (Johnson Report)

Area 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011

Winnipeg 5.54.84.24.34.03.83.33.53.53.3

Osborne Village/Ft. Rougen/a 1.67.66.03.62.30.91.41.22.3

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