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# Investors bet on Manitoba hotels

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MANITOBA hotel properties are in high demand with investors, a new industry report released Thursday says.

The 2012 Canadian Hotel Investment Report from Colliers International Hotels said a growing number of prospective buyers are being drawn to Manitoba -- and Winnipeg in particular -- because of the resilience and stability of the economy, the solid corporate base, a healthy convention business and existing and future draws such as the Winnipeg Jets hockey team and the Canadian Museum for Human Rights.

"These are all demand generators that will bring people into the city, and that's what gives investors confidence," said Alam Pirani of Colliers International Hotels.

Pirani said it was only a few years ago hotels in smaller markets such as Manitoba and Saskatchewan weren't on the radar for most investors.

"Now they are highly sought after."

Pirani cited the current hotel building boom underway in Manitoba as further proof of the confidence investors have in the local market. More than a dozen new hotel projects have been announced in the past year, including new builds and the redevelopment of existing properties.

"That is an indication investors feel it's a very stable market," he added.

The Colliers report said last year was a stellar year for hotel deals both locally and nationally, with four in Manitoba -- all in Winnipeg -- and 99 in Canada. The Manitoba deals had a dollar value of \$39 million, while the dollar-volume total for Canada was \$1.1 billion.

Pirani said four deals is a lot for a market where hotel properties rarely go on sale. There have been 18 transactions in Manitoba in the past 10 years, with half of them occurring in the past two years.

The four Winnipeg hotels that changed hands in 2011 were: the 48-room Howard Johnson Express Inn Winnipeg West, at 3740 Portage Ave., which sold for \$4.5 million; the 14-room Stock Exchange Hotel at 1105 Arlington St., which sold for \$2.2 million; the 160-room Hilton Suites Winnipeg Airport, which sold for \$25 million; and the 76-room Country Inn & Suites by Carlson Winnipeg. The value of that purchase wasn't available. The buyers were local and out-of-province institutional investors.

The report shows Winnipeg also had the fifth-biggest increase in hotel valuations last year among 17 Canadian markets.

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