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Airport sparks hotel boom

Four under construction; fifth to open this week

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

Angelo Paletta stands in the large, open-concept foyer of the new Holiday Inn Polo Park, set to open this week.

It may not be the Las Vegas strip, but the Winnipeg airport region has become a hotbed for hotel developers with international brands flocking to the region.

The area currently features four hotels under construction and a fifth set to open this week, an

unprecedented multimillion-dollar construction boom for the hotel sector in Winnipeg.

AIRPORT-REGION HOTELS IN THE WORKS

Holiday Inn Polo Park: Ellice Avenue between Century Street and King Edward Street; 152 rooms; opens Aug. 30.

Days Inn: Berry Road and Sargent Avenue; four storeys; opens in October (only Days Inn after former Days Inn on McPhillips came down to make way for Canad Inn).

Grand Hotel: Winnipeg airport; six-storey, 80-room; scheduled to open the summer of 2013.

Hampton Inn and Suites by Hilton: Berry Street south of Wellington Avenue; six-storey, 135-room; to be completed by early 2013.

Staybridge Suites (unconfirmed): Ellice Avenue east of Empress Street; opening date unknown.

It's as if the brand-name players in the hotel industry suddenly realized there was an international airport in Winnipeg and are now rushing to stake their claim to the market.

But, of course, there is more to it than that. There is no one cause affecting the current spate of hotel development, but the opening of the new airport terminal has definitely provided some catalyst for the explosion.

"It's not just about warehouses around the airport anymore," said Barry Rempel, the CEO of the Winnipeg Airports Authority. "I think there were too many years when we were not keeping up with the growth that was happening in other markets. That's not the case anymore."

The first of the group to open -- and the largest -- will be the city's newest Holiday Inn property. The \$14-million conversion of the old Howard Johnson property on Ellice Avenue, between Century and King Edward streets, is set to open on Thursday.

Angelo Paletta, the owner and developer, said he acquired the property because of the location. The fact he and his family have experience turning old buildings into new hotels -- they were responsible for the conversion of an old office building into the Clarion Hotel on Portage Avenue near Polo Park -- made him more comfortable using a derelict old hotel that was on the land as a template for a new hotel.

And Paletta is also not concerned about the other properties going up in the region.

"There's plenty of demand and the area is booming," he said. "In every major city, there is a cluster of key brands and that was lacking in the airport region here."

Gopal Rao, head of Canadian sales for Holiday Inn's parent company, InterContinental Hotels Group, said having the Holiday Inn flag flying in the Winnipeg airport region was definitely a strategic positioning for the brand.

"We make sure we have a brand presence in every strategic location that allows a hotel to be developed," he said. "It falls to reason, when the new terminal took place that we have a foothold in that market."

With the Hampton Inn and Suites by Hilton and Days Inn under construction on Berry Street just a couple of blocks away, the Grand Hotel being built by Lakeview Management beside the new terminal and another hotel, rumoured to be a Staybridge Suites, further east on Ellice Avenue, the buzz that Winnipeg has been generating has started to manifest itself into millions of dollars of investment in the hospitality industry.

"The host of new developments has to do with Winnipeg having one of the fastest-growing municipal economies in Canada," Rao said. "Our development is a natural follow-through on that opportunity."

But that's not to say every hotel is going after the same market or going in with only one business case.

The Grand Hotel, a \$20-million, 80-room high-end hotel set to open next summer across from the \$570-million airport terminal, was a key part of the new airport development.

But Lakeview already had one of the most successful hotels in the city -- the Four Points by Sheraton Hotel -- across the road from the airport terminal. The problem was, the airport terminal moved.

Avrum Senensky, an official with Winnipeg's Lakeview Management, said, "Our perspective is a little different. A big driver for the Grand Hotel was that the terminal was moving and so our other hotel would no longer be directly across. We wanted to be close to the terminal and protect the Four Points."

Jim Baker, the president of the Manitoba Hotel Association, said the brands and developers are aware Winnipeg's hotels have performed well lately relative to the national marketplace.

As for the airport region, Baker said, "These hotel brands have lots of corporate clients. And you would be surprised at what companies travel here with some regularities."

He said hotel loyalty programs are a bigger draw for the international brands than people realize and international companies that have large operations in the area -- such as Boeing and StandardAero -- do not need to be downtown.

The development of CentrePort is also sparking interest in the region, even though there's not yet any major new development that might generate appreciable hotel occupancy.

CentrePort's CEO, Diane Gray, said she has had requests for briefing on CentrePort development from hotel operators.

But maybe the biggest target market for hotels in the airport/Polo Park region are travellers from around Manitoba.

Baker said about 60 to 70 per cent of the visitations in the city are from travellers from elsewhere in the province. In the past, if folks came into the city from surrounding areas and did not want to stay at a more expensive hotel downtown, the alternative selection was not that attractive.

Pretty soon there will lots of new, brand-name properties for them to choose.

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