

**SPECIAL ISSUE - WINDSOR & DISTRICT CHAMBER OF COMMERCE
 ECONOMIC OUTLOOK 2005**

Word From the Chamber President

LINDA SMITH, President

I am pleased to present you with our 2005 Economic Outlook. This is a special annual issue of the Business Briefs that brings our members and the community an indication of what the regional economy might be like this year.

The Windsor & District Chamber of Commerce has collected opinions from several business leaders, representing various sectors of our local economy to provide you with their forecast for 2005.

This year's participants include representation from the Financial, Hospitality/Gaming, Automotive and, Homebuilders/Real estate sectors, as well as the City of Windsor and the County of Essex. Also returning this year, are submissions from the Canadian

Chamber of Commerce and the Detroit Regional Chamber of Commerce.

From the economic outlooks enclosed, you can expect that Windsor and Essex County will continue its path of growth and renewal. The rise in the real estate sector is a strong indicator for our local economy.

This is a particularly positive forecast aided by continued low mortgage rates, steady employment and rising home equity.



continued on page 2

CALENDAR OF EVENTS 2005

Your Chamber is made up of a wide range of diverse organizations. We present an annual calendar of events that aims to meet the needs of all our members consisting of trade shows, seminars, workshops, luncheons, breakfast meetings, and galas. Mark your calendars with the dates listed below then watch your monthly Chamber mailing for the event registration flyers! Now you can register for events online at www.windsorchamber.org.

Tuesday, January 25, 2005

**Good Morning Windsor-Essex
 Essex and Kent Scottish Regiment,
 4007 Sandwich Street**

(7:30 a.m. - 9:30 a.m.)

Sponsored By: **Essex and Kent Scottish Regiment**

Here it is again! If you haven't had the chance to join us for this popular breakfast event, be sure to register now as this event has been known to sell out. You **MUST** pre-register for this event. Registration cut-off date is January 19, 2005. Cost: \$15 members only.

Friday, January 28, 2005

Chamber's Annual Environmental Breakfast

This year's speaker is the Honourable Herb Gray, Chair of the Canadian Section of the International Joint Commission. Topic: The Protection of the Waters of the Great Lakes.

Friday, February 11, 2005

You Don't Want To Miss The Event Of The Year !!!

15th Annual Business Excellence Awards Gala

Cleary International Centre (Theatre Presentation at 7:00 p.m. Afterglow at

8:30 p.m.) Don't miss the business event of the year! Come meet this year's award recipients at the Cleary International Centre. Cost: \$100 (Plus GST).

Thursday, February 24, 2005

After Business

The Honest Lawyer (5:00 pm-7:00 pm)
 Sponsored by: **the Honest Lawyer Restaurant**

Mark this date in your 2005 calendar. Cost: \$15.00 members/ \$20.00 non-members

For more information or a complete calendar of our 2004-2005 events, please contact the Chamber at 966-3696.

Since 1876

In the big picture, both the Canadian and U.S. economies are expected to experience solid economic growth. The challenges to the economy will come from the increasing energy prices and a weakened American dollar.

Locally, our tourism industry will face the same threats endemic to ongoing border management issues. We also have concern for the health of the auto industry (weakened U.S. auto sales and slashed credit ratings). Strong sales of models built in Ontario will lessen this impact locally.

BMO NESBITT BURNS

DR. SHERRY COOPER, Chief Economist,
Vice President BMO Financial Group

Dr. Sherry Cooper will be the Chamber's guest speaker at our Annual Economic Luncheon. For more details on this unique Chamber event watch your monthly Chamber mailing.

Canada-US Economic Outlook — Overview



Both the Canadian and U.S. economies are poised for another year of solid growth, supported by still-low borrowing costs, healthy business capital spending and robust housing markets. However, we have probably already seen the strongest growth

rates in the current cycle, as the expansion will mature further in 2005. Headwinds are now working to slow momentum, such as high energy prices and modest increases in interest rates, and a strong currency in Canada's case. Another obstacle for growth is a gasping U.S. consumer, burdened by record high debt levels, low savings rates, and an

This year's economic outlook remains cautiously optimistic. The pressures that have the potential to dampen growth can be overcome by the cooperation with the public sector. Our City and County Councils have embarked on a regional economic development strategy that will help our local economy attract new investment to our region. As ever this Chamber continues to work devotedly with municipal governments to create regional economic prosperity.

I am very proud to present to you this Economic Outlook 2005.

absence of new tax relief. Looking ahead to the next year, we judge that Canada will grow by just over 3%, finishing a close second to the U.S. in the real GDP race among the major industrialized economies, but will win when it comes to relative performance of financial markets.

The biggest challenge for the Canadian economy in the coming year is dealing with the impact of the unprecedented rise in the Canadian dollar over the past two years. From its low in early 2003, the loonie has soared by more than 30%, and the first real signs of a negative impact on exports are emerging. Moreover, the latest rise in the Canadian dollar has occurred just as U.S. growth is losing some steam. Accordingly, we judge that deteriorating net exports will act as a persistent drag on the Canadian economy during the next two years.

Canadian domestic demand in the passing lane

The drag caused by net exports will likely keep Canadian real GDP growth slightly behind the U.S., despite the fact that we expect both consumer and capital spending to fare better north of the border. On the consumer side, stronger employment growth over the past few years and a smaller debt run-up have left Canadian household finances in better shape than their U.S. counterparts.

Meanwhile, the push for Canadian firms to increase productivity in order to remain competitive will boost

continued on page 4



Windsor & District Chamber of Commerce

REQUEST FOR PROPOSAL/INTEREST

Business Briefs Newsletter

The Windsor & District Chamber of Commerce is periodically reviewing this monthly newsletter. Components of a proposal should include, but not be limited to:

Printing,
Layout and design,
Concept, and
Financial exposure to the Chamber.

We are looking for a comprehensive publication proposal. Deadline is January 17, 2005. To obtain more details about the request for proposal/interest please contact Igor Siljanoski at (519) 966-3696 ext. 28. To be considered, all entries must be sent in writing to the Chamber by the specified deadline.



Windsor & District Chamber of Commerce

JANUARY 2005

“Business Briefs” is the monthly publication of the Windsor & District Chamber of Commerce. Views expressed in Business Briefs are those of contributors and individual members and are not necessarily endorsed by or are policy of the Windsor & District Chamber of Commerce.

OUR MISSION

“Leading the business community for creating regional economic prosperity.”

The Windsor & District Chamber of Commerce
2575 Ouellette Place Windsor, Ontario N8X 1L9

Tel: (519) 966-3696 Fax: (519) 966-0603

Website: www.windsorchamber.org Email: info@windsorchamber.org

2003-2004 BOARD OF DIRECTORS

Donald Marsh, Collins Barrow Windsor LLP, (Chair of the Board)
Gina Leslie, Windsor Casino Ltd., (Chair Elect)
Peter Hrastovec, Raphael Partners, Barristers and Solicitors (Treasurer)
Michael Robinson, Blonde & Little Insurance Ltd., (Past Chair)
Guy DiPonio, Valiant Corporation, (Vice Chair)
Shakti Wadehra, DaimlerChrysler Canada Inc. – retired (Vice Chair)
Lindsay Boyd, Union Gas Ltd.
James Drummond, Golder Associates Ltd.
Peter Edmonson, Peter B. Edmonson Enterprises, Canadian Tire Store
Gary Hillier, Ambassador Brokerage Ltd.
Paul Innes, K-Scrap Resources Ltd.
Jennifer Jones, Media Street Communications Inc.
Ed Kanters, Accucaps Industries Ltd.
Frank Mocerri, Windsor Waste Management Inc.
Alfie Morgan, University of Windsor - retired
Ross Paul, University of Windsor
Taras Rohatyn, Workplace Safety & Insurance Board
Kim Teron, Windsor Casino Ltd.
Kirk Walstedt, Walstedt Renick, Municipal & Environmental Lawyers
Sue Zanin, Greater Essex County School Board - retired (Chair, ATHENA Committee)
Linda Smith, Windsor & District Chamber of Commerce, (President/Staff)

STAFF

Linda Smith	President	ext. 22
John Thrasher	Director of Sales	ext. 23
Igor Siljanoski	Manager, Policy & Communications	ext. 28
Lois Booth	Administrative Assistant to President	ext. 29
Gloria Fiacco	Event Coordinator (Interim)	ext. 21
Kathie Stevens	Event Coordinator	ext. 31
Crystal Van Aspert	Finance & Office Coordinator	ext. 27
Carol Truong	Membership Care Specialist	ext. 30

Editorial Inquiries:

Igor Siljanoski (519) 966-3696 ext. 28 isiljanoski@windsorchamber.org

Advertising Information (Ads & Inserts):

Bill Blak (519) 966-3696 ext. 35 businessbriefs@commercead.com

capital spending. Canadian productivity growth has trailed far behind gains in the U.S. over the past few years. It is now a matter of sink or swim. The expected pickup in capital spending will likely coincide with slower employment growth, as companies make the switch to relatively cheaper machinery and equipment investment.

Another source of relatively stronger Canadian domestic spending will come from the government sector. For Ottawa, in particular, the string of budget surpluses seems poised to find its way into increased spending. This contrasts sharply with emerging efforts to rein-in the massive U.S. federal deficit.

Interest rate and currency outlook

With economic growth close to potential next year, the Bank of Canada, like the Fed, will gradually push rates up. However, there is much less urgency north of the border, reflecting the heavy drag on both growth and inflation from the strong Canadian dollar. We look for the Bank of Canada to remain on hold at least until March, and quite possibly through the spring. Meanwhile, the Fed is expected to raise rates again in early 2005, and eventually nudge short-term borrowing costs above Canadian levels before mid-year.

The crossover in interest rates is expected to gradually turn the Canadian dollar around, and we expect it to peak at just below 87 U.S. cents. While less frothy commodity prices (owing to slower global growth) and negative spreads will take some of the lustre off the loonie, positive fundamentals for currency strength and narrow Canada-U.S. yield spreads will remain intact. These positives include a lower inflation performance north of the border along with Canada's budget and trade surpluses against the U.S.'s twin deficits.

We still see some renewed strength in the Canadian dollar in the first half of 2005, and there is still a lingering risk of a more abrupt U.S. dollar slide. Most vulnerable from further currency strength are the forest products industry, furniture manufacturers, the energy sector, auto parts, machinery and electrical

equipment companies, the steel and metals industry, and tourism. These sectors must take actions to cut costs, add value and increase productivity, importing technology if necessary with strong Canadian dollars. To be sure, it might be some time before the U.S. dollar falls dramatically further, but there is no time like the present for Canadian businesses to cut costs and efficiencies and thereby improve profit margins.

Some companies are less vulnerable and some actually benefit. Those would include domestic merchandisers, health care, media and broadcasters, airlines and professional sports teams, all of which have significant costs in U.S. dollars and revenues in loonies. As well, in this environment, some Canadian stocks will be very attractive, so will Canadian bonds and our fixed-income market will continue to outperform U.S. Treasuries.

Windsor/Essex Outlook

The Windsor area is on the frontlines of dealing with the fallout from the strong exchange rate. Local retailers and the tourism industry are facing a pullback in U.S. visitors. As well, the phenomena of cross-border shopping is springing back to life with the Canadian dollar pushing above the 80-cent level. However, a much more competitive retail sector has emerged since the last bout of cross-border shopping in the early 1990s, and the industry should manage to withstand the latest challenge successfully.

A broader concern for the regional economy is the persistent market share loss by the Big Three automakers. Compounding this steady erosion in share, the overall pie appears poised to shrink slightly, as auto sales are expected to taper off over the next two years. We look for North American auto sales to dip by roughly 1% next year to less than 18.2 million units. While this would be a modest drop, it would mark the fourth annual decline in a five-year period, putting further strain on production plans.

Beyond the Big Three, local auto parts manufacturers as well as local agri-business will be under pressure to adjust to the high Canadian dollar. However, the good news is that borrowing costs will remain well

contained, and the price of many imported goods—machinery, raw materials, and semi-processed goods—will fall, helping keep costs down.

There will be an adjustment away from manufacturing and towards service sector jobs in the next few years. This is a process which will take place across Canada, but especially in southern Ontario, particularly in Windsor. Even with downward pressure on factory jobs, the overall employment picture can remain upbeat thanks to gains in the public sector, construction, and finance. For instance, employment in the Windsor area rebounded in late 2004 to post a gain of almost 2% from year-ago levels, after declining earlier in the year. Similarly, the local jobless rate pulled back to 9.1% after touching 9.8% earlier in 2004. The job

market performance of the past year shows that there are still underlying pockets of strength in the regional economy which remain healthy enough to offset the high-profile challenges of a strong loonie and a softening auto market.

The housing sector looks to remain a relative beacon of strength. The local resale market saw a near-10% rise in 2004, or almost double the nation-wide increase in existing home sales last year. And, the average home price rose by over 5% to \$160,000. With the Bank of Canada expected to only gradually push up short-term interest rates, long-term borrowing costs held down by continued low inflation, and job growth turning positive again, housing market conditions remain positive.

CHAMBERS OF COMMERCE OUTLOOK

CANADIAN CHAMBER OF COMMERCE

NANCY HUGHES ANTHONY, President & CEO



Canada's economy emerged from the series of shocks that hit it in 2003 with remarkable strength and resilience. In the first quarter of 2004, real (i.e. inflation-adjusted) GDP expanded at a 2.7 per cent annual rate. Growth accelerated in the second quarter to

3.9 per cent. Remarkably, and in spite of the competitive challenges posed by a stronger Canadian dollar, the surge in economic growth in the second

quarter was largely owing to the fastest growth in exports in more than seven years. In the third quarter, growth came in at an annualized rate of 3.2 per cent. Third quarter growth was led by business investment in machinery and equipment (+8.2 per cent) and a massive build-up of inventories (\$16.9 billion) the largest accumulation in six quarters. In contrast, real export growth faltered (-2.0 per cent) marking the first quarterly downturn in a year, and imports rose substantially (+13.0 per cent) a clear indication that the strong run-up in the loonie is taking a meaningful toll.

As the third quarter came to an end, several factors pointed to economic growth moderating further in the last three months of 2004. First, the hefty build-up of inventories in the third quarter could dampened production in the fourth quarter as producers focus on drawing down inventories. Second, the strong Canadian dollar is expected to continue to weigh heavily on net exports. Last, but not least, employment growth has been softening. When the final numbers are in, growth in the fourth quarter of

CHAMBERS OF COMMERCE OUTLOOK

2004 is projected to come in at below 3 per cent (annualized). Business investment is expected to remain very strong, spurred on by healthy corporate profits. Consumer spending should grow modestly.

For 2004 as a whole, Canada's economy is expected to grow at an average annual rate of 2.7 per cent.

Looking forward, the past appreciation of the Canadian dollar and competition from low-cost countries is expected to continue to dampen growth of Canadian exports through 2005. At the same time, strong demand and less expensive imported products will boost imports. Thus, the boost provided to economic growth in 2004 from real net exports will wind down. We look to strength in domestic demand

to pick up the slack. A high employment rate (i.e. the percentage of Canadians aged 15+ in the workforce) and a low interest rate environment are expected to sustain consumer spending. Residential construction is poised to slow somewhat in 2005 from the high levels attained in 2004, which represented the strongest pace of housing construction since 1987. While growth in corporate profits is expected to be much more muted as energy and commodity prices retreat somewhat, business investment in machinery and equipment will continue to be a key driver for the economy.

For 2005 as a whole, Canada's economy is projected to grow at an average annual rate of about 3.0%.

DETROIT REGIONAL CHAMBER

RICHARD E. BLOUSE JR.,
CCE, President & CEO



At the Detroit Regional Chamber we look forward to 2005 as a year of continued growth, particularly for small businesses. Small and emerging businesses are the growth engine of our economies, creating more jobs than any other sector. In the

United States, they represent 97 percent of all exporters, most of which is done between our two countries.

A recent survey of Chamber members found that more than 75 percent plan to add staff over the next

12 months. Nearly 90 percent expect to see increased revenues.

The service sector will continue to expand – particularly in the technology, health care and professional services fields. Manufacturing declines are expected to continue but not to the degree we've seen in years past. Our upcoming forum in March 2005 with the Ontario Chamber will look for solutions to protect critical manufacturing jobs on both sides of the border.

In the Detroit Region – and across the country – health-care costs will remain a top concern for business.

Canada and the United States will continue to enjoy the fruits of a strong economic partnership, and that bodes particularly well for the Detroit and Windsor regions.

The Detroit Regional Chamber is looking forward to increasing our partnership activities with the Windsor & District Chamber of Commerce to find ways we can support each other, provide additional benefits to our members and market our region as an international destination for business development.

LOCAL ECONOMIC OUTLOOK

CITY OF WINDSOR

EDDIE FRANCIS, Mayor



Over the past year since assuming office, Windsor City Council and I have worked with our natural partners to lay the basis for a new model of economic cooperation and development for Windsor, Essex County and South East Michigan. Our dynamic new

approach will globally showcase the entire region, with a special emphasis on technology-driven and knowledge-based manufacturing, agribusiness, biotechnology, and tourism.

Windsor City Council and Essex County Council have agreed to phase in a joint economic strategy. County Warden Mike Raymond and I will sit on a transitional board while business leaders serve as an advisory group. A project manager will analyze the regional economy, propose a strategy and recommend the needed organizational structure.

To unify our region, we are working with Mayor Kwame Kilpatrick and Detroit City Council, as well as with the Detroit Economic Growth Corporation, a 60-member board of concerned business, civic, labor and community leaders; with GLIMA – Automation Alley’s Association of Interactive Professionals, which includes over 500 technology-driven corporate members in SE Michigan; and with World Trade Center Detroit-Windsor, which is part of a global network of 287 World Trade Centers in 88 countries with more than 750,000 participating businesses. As Chair of Ontario Mayors for Automotive Investment, I continue to push for a senior government strategy

for investment and innovation. In tourism, we are developing joint programming for the 2006 Super Bowl XL football championship, an event that will host 120,000 visitors, as well as other initiatives that will position us internationally as a “two-nation-vacation.” On the international border, progress is now being made as we have engaged the community, the Province of Ontario and the leaders of both Canada and the United States in working toward a border solution that provides economic stability and encourages investment.

The Conference Board of Canada’s Metropolitan Outlook report says that between 2005 and 2008 the Windsor area will post the second highest average annual growth at 3.4 per cent. That’s not good enough. With strong regional partnerships, Windsor, Essex County and South East Michigan can together become an international economic powerhouse.

COUNTY OF ESSEX

MIKE RAYMOND, Warden



Economic growth in the County of Essex is anticipated to continue to trend upward in 2005, building upon 2004 results. In 2004, commercial and industrial assessment expanded by 8.4% and 1.2% respectively and residential

assessment also increased by 2.9%.

The latest financial and economic review of the County, conducted in 2004 by Standard and Poor’s,

yielded a credit rating of **A+** along with an economic outlook upgraded from **Stable** to **Positive**. A rating of this order, among the highest afforded any county in the province, reflects confidence in the financial stewardship exhibited by Essex County Council and in the prospects for continued growth and prosperity in the County.

Efforts continue, in partnership with the City of Windsor and the higher orders of government, to develop and implement a border crossing solution at the “Economic Gateway to Canada”. With the concurrent focus on generating a region-wide strategy for attracting and retaining economic investment and development, the County is poised to take advantage of positive economic prospects that are emerging on the horizon.

The County and its partners in *Connecting Windsor-Essex* are proceeding with a strategy to develop a technologically “Smart Community”. By creating a better-informed population, County citizens will be provided with the opportunity and knowledge to become more engaged and empowered in the planning and decision-making processes in our communities.

Preparation of the 2005 County of Essex budget will be guided by the realization that providing services across the County must be balanced against the need to maintain taxation levels at responsible and affordable levels.

Essex County Council is excited by the opportunities that challenge it and remains confident that a bright and prosperous future is forecast for the residents of the County of Essex.

WINDSOR CASINO LIMITED

KEVIN LAFORET, President and CEO



Having marked our 10-year anniversary this year as Ontario’s premier casino, it provided an opportunity to reflect back on how much has changed since we first opened our doors in 1994. We now find ourselves

operating in a ‘mature gaming market’ that has seen virtually no signs of market growth during the last few years. The Detroit/Windsor market is highly competitive where we see fight for market share each and every month.

At this time last year, we were still feeling the effects of SARS and the Iraqi war, but challenges much closer to home have presented even larger problems to overcome. Today, we’re faced with ongoing border issues that have resulted in a significant reduction in the number of people coming to Windsor. Whether those visitors considering a trip to Windsor have an accurate perception of crossing the border or not, it is a major issue that directly impacts our operation. Our business, along with many others in Windsor, relies heavily on the U.S. customer having easy access to our facility; when there is a problem, we feel the effects immediately – quite often they are lasting.

The strengthening Canadian dollar is also having a dramatic impact on our business, although the U.S. exchange rate remains at a premium, this competitive advantage is eroded as the dollar strengthens. We are

also facing proposed legislative changes that will make it more difficult for our business to remain competitive in the future.

However, despite these challenges, Casino Windsor will continue to look at new and innovative ways to further improve the Casino Windsor experience and position our property as the casino of choice in our market.

We remain encouraged by our position in the market and we are excited about working with the Ontario Lottery and Gaming Commission to review options for possible development on the land west of the casino.

most dedicated citizens - people who treat their neighbours like family. And in my role at DaimlerChrysler, I have seen a determination to develop, build and distribute world-class products. Passion for world-class products and a caring community are reasons for optimism next year.

Globally, car sales are flat, while vehicle production capacity grows, resulting in pressure on the entire manufacturing and supply infrastructure. In 2004, industry sales in Canada were down, but the marketplace is responding well to our new vehicles and we are outperforming the industry. Canadian-built vehicles are leading our global product offensive — the Windsor-built Chrysler Pacifica and the Chrysler and Dodge Stow N’ Go equipped minivans continue to be very popular.

The Brampton-built Chrysler 300 sedan and Dodge Magnum sports tourer are bringing new shoppers into our dealerships. We are very pleased that Canada’s automotive media recently named the Chrysler 300C the “Luxury Car of the Year”. In 2005, we look to build on this success by rolling out more new models, including the Brampton-built Dodge Charger sedan. To sustain this momentum, we will have to leverage two of our strengths —bringing to market must-have products and continuously improving the efficiency of our operations.

Overall, I am excited about our prospects in Canada in 2005. The Canadian economy is moving in the right direction, the quality of our products has never been better and our employees and retail network are focused on growing our business, not only in Canada, but around the world.

DAIMLERCHRYSLER CANADA INC.
MARK D. NORMAN, President & CEO

**Economic Outlook for the
Automotive Industry - 2005**



It is hard to believe one year has passed since I joined DaimlerChrysler Canada as President. As both a resident and a member of the business community, I continue to be inspired by the

vibrant and caring spirit of the region. As Chairman of the Windsor/Essex County United Way Drive, I have had the privilege of working with some of our

OMSTEAD FOODS LIMITED

TIM A. FUERTH, Vice President, Finance



The big stories of 2004, the rapid ascent of the Canadian dollar and surging commodities prices, are likely to remain in the spotlight in 2005. These conditions, should they persist, will place significant strain on many businesses in

our region, particularly those that export a significant portion of their products.

The Canadian dollar could seriously undermine the growth in economic activity in the region. At least one big bank predicting a 90 cent dollar in 2005 while, on the other end of the continuum, another is forecasting 76 cents-which one do you believe? The main point however is that exporters will need to adapt to a much higher dollar than they have been used to for many years. To date many businesses have not yet felt the pinch due to hedging strategies however many of these will expire in 2005. Receiving 25% less for their goods than just 2 years ago will starve businesses for the cash flow required to reinvest in productive capital and create jobs. On a positive side, a strong Canadian dollar will reduce the likelihood of significant interest rates increases in 2005.

The relentless increase in commodity prices, notably oil and steel, will put further pressure on exporters as the cost of inputs go up without, in many cases, the ability to pass on these costs in price increases. The

increased price of oil has also driven up the cost of resin used to produce plastics. When was the last time you purchased a product that does not contain some steel or plastic?

Sound like doom and gloom? Well maybe, but it also presents a tremendous opportunity for businesses to improve efficiency and productivity that will pay dividends in the longer term. Those businesses that successfully adapt to this new environment will find themselves better able to compete globally for years to come.

WINDSOR CONSTRUCTION ASSOCIATION

JIM LYONS, Executive Director



Brevity is likely wise when expressing oneself pessimistically, so in as few words as possible the less than flattering 2005 Economic Outlook in the Windsor, Essex Kent County Region can be simply summarized.

Ongoing or awarded construction projects are the most obvious place to start to this brief, therefore, the Windsor-Detroit Tunnel ventilation project has just commenced, Phase 2 of Lou Romano Pollution Control is underway as are Huron Lodge, Windsor Regional Hospital, the Income Security Building and Windsor Shoreline project. Also within Windsor City limits the F.W. Begley School, Chuckie Cheese, Boston Pizza, Swiss Chalet, Wendy's, Family First Funeral Homes projects are on-going.

Beyond Windsor, work in progress includes a new Oak Park Terrace long term care facility in LaSalle as well as Lakeshore and an Alert Care Facility in LaSalle. A small retail plaza addition near Windsor Crossing Outlet Centre, a ten plex theatre as well as Vistaprint manufacturing in Lakeshore, and condominium project in Amhertsburg are underway.

Further a field; Leamington Pollution Control, Chatham Water Treatment and Big Box Retail in North East Chatham are well on their way. Infrastructure wise, the 401 at Tilbury Phase 1 is about complete; Grand Maris West is still going, the Wyandotte Street East Bridge is ready to start and the already infamous Walker Road grade separation is ready to go.

Looking ahead to the list of more imminent tenders, we can include the following: Home Depot East (on Tecumseh next to WalMart); Northshore School; St. Anne's School (eventually); the new Greyhound/Transit Windsor Bus Depot in Windsor City Centre; a replacement Fire Station on Lauzon; a new school, St. Anthony's in Harrow.

Also on the books are a new student residence building at the University of Windsor, a St. Clair College Student Centre expansion, and a water treatment facility in Belle River, as well as private sector jobs to include Portofino Condominium on Riverside Drive; Ukrainian Church and the Ambassador Golf Clubhouse. Finally, Phase 2 of the Highway 401 expansion program near Manning Road is expected in early spring.

Unfortunately, while much of the above is certainly welcome it's light volume work compared to previous decade activity and significantly lacking our region's main driver – manufacturing. There is, however, a glimmer of hope for stepping up construction man hours if any one of these

speculative projects comes through in the next year. The largest and most hopeful is a Chrysler paint plant expansion (effectively twinning of the paint facility); a joint venture St. Clair College/YMCA project in Chatham; a Wal-Mart or other big box in Amhertsburg; a new Engineering Building at the University of Windsor; and finally, a (I'm tired of reporting on it but would love to see it) Casino expansion. Last, but certainly not least important, is the "must have" border solution spending and infrastructure improvements (whatever they may be) which this border driven community absolutely lives or dies on.

WINDSOR-ESSEX COUNTY REAL ESTATE BOARD GORAN TODOROVIC, President



The outlook for the real estate market in Windsor-Essex County is a positive one. Historically low mortgage rates, steady employment and rising home equity have contributed to the industries stellar

performance in 2004. The year will finish on a very upbeat note and we expect this trend to continue forward into 2005.

MLS residential sales of 5,172 have already surpassed last year's 5,089 total and we anticipate sales will reach an all time record in

2005. The steady increase of residential listings put on market to date total 9,710 homes, will provide buyers with a much larger selection to choose from. The most popular style home has been the raised ranch with an average sale price of \$198,348.

A strong resale market set a new record in the second quarter of this year (14% increase over 2003 figures) and is expected to reach the 5,600 mark by year's end. November's average sale price was up 5.1% to \$161,694, a gain of almost \$8,000 year to date. As the supply of new listings continues to increase, prices are expected to ease somewhat, expecting only a slight increase of 3% for 2005.

New home starts are healthy and will likely reach 2,470 units by year's end and there are a number of new subdivisions planned for Amherstburg,

LaSalle and Lakeshore. However, rising building costs and expected mortgage rate increases may cause a reduction in 2005 total starts

MLS listings are already 12.2% higher than 2003 totals, 12,521 versus 11,158 respectively. With one more month to go sales total 5,939 and are in line with 2003 grand total of 5,936. Completing this economic picture, dollar volume sales total \$964,316,740 and are already 2% higher than 2003 grand total dollar volume of \$945,845,046.

Statistical information shows that migration will be key to a healthy long-term demand for housing in our area and that immigrants are in fact choosing Windsor because of the affordable housing available.

HOLD THE DATE – FRIDAY, FEB. 11, 2005



Don't miss the business event of the year!
Come meet this year's award recipients at the
Windsor & District Chamber of Commerce



BUSINESS EXCELLENCE AWARDS GALA 2005

Cleary International Centre

Call the Chamber 966-3696 ext. 31 or
Visit Events Online at www.windsorchamber.org