

Myles Kraut and Jessica Kerzner **Developing a Strong Belief in Hard Work and Karma**

by
Brian Campbell

There is a history of hard work in Myles Kraut's family. His grandfather was a cattle farmer in Europe, who helped a number of friends and family escape the Nazi invasion of Poland during World War II by selling everything he owned to buy a boat to travel to America. Myles' father owned and ran the Charleswood Department Store on Roblin Blvd. for 56 years, until his death in 2014, at the age of 82.

“The work ethic that our father instilled in us, wasn't just a lesson,” Myles said, “it was showing us exactly what it takes to be successful in this world. That really affected my family and we all do what it takes to succeed.”

For Myles, that meant entrepreneurship. He started out selling cars at the age of 15 and by 22 he had his own used car dealership, complete with a repair shop to maintain the vehicles and do safety inspections. At that point, partly due to his love for animals, he moved on to manufacturing natural dog and cat food, among other pet products, which he worked on for the next nine years and built up to 20,000 stores in Canada and the USA.

Myles said, “I think it is very important to try a lot of things; determine what is going to work for you and work hard on that; and, discard whatever isn't working.”

Even while he was selling pet products, Myles was already dabbling in the real estate business, buying, fixing and selling rental properties, which ended up segueing into his current career as President of Karma Development Corporation.

Myles had bought a piece of property by the University of Manitoba with the intention of building townhouses to rent to University students, when he found that the street adjacent to his property was being closed down, effectively land locking his property.

Instead of considering it an insurmountable obstacle, Myles took it as a challenge. “I leveraged the property to borrow additional money from the bank, and took on a partner, Marc Kipnes,” Myles explained. “Then I purchased all the properties that led up to my property, giving me a much more substantial property with access the next street, Lee Boulevard. This eventually became Mosaic Condominiums which consisted of 118 units. The property sold out in about three months.”

The collaboration between the two men led to the creation of Karma Development Corporation. Myles and Marc had worked together in the car business, so partnering in this venture came naturally to them. Myles said, “I knew and respected his business sense, so when I needed a partner, I went to him.”

At that time, they were among the few developers building condominiums and the only ones building near the University of Manitoba. Over the last 10 years, Myles and Marc have managed to grow their business during a financial downturn, where many people were bailing out and banks were hesitant to finance risky projects. “Marc and I were just talking about how times change,” Myles said with a smile. “Before, we were knocking on bank doors, trying to get them on board. Now they come to us, offering to finance projects we are working on.”

That is where the company name is derived. Myles said, “Marc and I both believe strongly in karma, that what goes around comes around, and that if you look after people they will look after you.”

Karma Development Corporation is now working on two projects, both in Tuxedo. One is for single family lots on Litchfield. The other project is 139 Tuxedo, where they are building 68 opulent condo units for people who are planning to downsize. “Our target market will be for empty nesters who are planning to sell their house and enjoy condo living,” Myles said. “It is close to the Rady JCC, so you have the beautiful pool, one of the best gyms in the city, and all the amenities that the campus has to offer. Not to mention that you are two minutes from Assiniboine Park and Zoo, 30 seconds from Wellington Crescent and right across from Tuxedo Shopping Centre.”

The condos are large, luxurious, equipped with indoor, heated, parking with elevators to take people from the parking area to their suites. “This will be the highest quality, most luxurious and exclusive development in Winnipeg in recent years,” Myles said. “This is new and fresh and we are very excited about it.”

Myles believes that one of the key factors that has led to his success as a developer is knowing the city. “I have been approached by people from Calgary and Kelowna who want me to do a development there,” he said, “but there would be more risk in going there, and there is already enough risk in real estate development. Knowing your customer is number one. The expression ‘know what they eat for breakfast’ is very true.

“The needs of the people in Tuxedo are different from those near the U of M,” he added. “The important thing is to know your customer as well as possible and design a product that would suit their needs.”

Jessica Kerzner met Myles through her cousin Michael, who is Myles’ best friend, while she was visiting from Ottawa. Michael thought that Jessica and Myles would be a good match and he must have been right, because Myles somehow managed to convince Jessica to move to Winnipeg, even though she was visiting in February.

Jessica is a hard working person in her own right, working both as an Event Coordinator for the Jewish Federation of Winnipeg and running her own company. Jessica said, “I really love event planning, so I have my own company JEM, Jessica Event Management. I plan weddings, bar mitzvahs and corporate events.”

She even plans events for Karma Development.

“She’s the best,” Myles said with a smile. “Jessica is quite the entrepreneur, and she is brilliant.”

Myles added. “It’s nice to have a partner that you can not only go out and have fun with, but can give you advice that is valid. I usually don’t take advice from anybody. But Jessica’s opinion is very important to me.”

Both Myles and Jessica love their Tuxedo home, especially its proximity to Assiniboine Park. Myles admits to having had his eye on the house they are living in since he was very young. “I would travel with my Dad quite often on his trip from Garden City to Charleswood Department Store; every time we passed this house I’d make him stop,” he said. “This was my favourite house in the whole city. Eventually it came up for sale and I was lucky enough to acquire it. Not only do I love the house, it is literally across the street from one of the nicest parks in the country.”

“We live in that park,” Jessica said. “I run in the park at least five days a week and enjoy every minute of it.”

“I walk our dogs, Leonard and Leah, there every day, Jessica runs there, they show movies on Fridays, they have fireworks on Canada Day,” Myles added. “This is just heaven.”

“Our families live within a few blocks,” Jessica said with a smile. “My work is down the street, and soon Myles’ will be too.”

Being nature lovers, they also enjoy the fact that at any given time there could be deer or rabbits wandering across their lawn. Myles said, “We just sit here and talk about how beautiful is here on a daily basis. We just feel lucky to live in this area.”

When they aren’t working or spending time in Assiniboine Park, Myles and Jessica like to travel. They have a boat in Sarasota, Florida, that they like to spend time using, particularly in the winter time. Jessica has been training to run in marathons. She also spends time volunteering in the Jewish community. “Our favourite thing is to go and see movies,” Jessica said. “We see pretty much every movie that comes out.”

Myles also likes to race cars. “I race cars, I collect cars, I dream about cars,” he says with a smile. “I like to go fast.”

Future plans for both Myles and Jessica consists mostly of building their businesses, enjoying their time with each other, their dogs and, especially, their Tuxedo community. “This is what keeps us in Winnipeg,” Myles said. “We could move, but it is the community that keeps us here. We just love it here.”