

REAL ESTATE ROUNDUP

Montreal's Aeroterm Management Co. taxis into B.C. airport market

Abbotsford's growing status as a regional hub drawing interest from Eastern Canada

Flying in

A sale-leaseback agreement with Abbotsford-based **Cascade Aerospace Inc.** marks the entry into B.C. of Montreal-based airport facilities investor **Aeroterm Management Co.**

A major investor in airport facilities in Eastern Canada and the U.S. since its establishment in 1992, Aeroterm opted to invest in Abbotsford because of the **Abbotsford International Airport's** status as an emerging regional hub second to **Vancouver International Airport.**

"It's a very well-positioned zone to be," said **Bart Kosowski**, an associate with Aeroterm who worked on the deal.

The \$45 million deal with Cascade gives Aeroterm a 231,000-square-foot hangar on 23 acres. Cascade will continue to rent the space under a 20-year lease arrangement that includes an option for a further 10-year term.

Kosowski notes that Aeroterm has been building its presence in North America, particular on the West Coast. It is a developer of the Pacific Gateway Cargo Centre in Ontario, California, and it recently acquired holdings in



Big land, huge interest: Pope & Talbot is selling a portfolio of properties in the Kootenays, one of several forest companies that are seeking to realize the value of their assets during a downturn in lumber prices

Anchorage, Alaska.

The Lower Mainland, which is between the two, complements its existing investments. Growth of Abbotsford airport, for which the municipality has drafted a master plan that envisions the development of 100 acres, adds to the allure of the Cascade deal.

The deal, brokered by **Lee Blanchard of Cushman & Wakefield LePage**, also benefits Cascade, which will use the proceeds to pay down debt

and fund future expansion.

"It set us up for more growth," Cascade CFO **Tony Quo Vadis** said. "We got our capital out of the real estate, and we can reinvest it in the business."

"Huge, huge, huge interest"

A weak U.S. housing market, low timber prices and strong interest in recreational properties in the Kootenays have prompted yet another forest company to put its holdings on the market.

Mark Lester of **Colliers International's Unique Properties Group** has worked with five different forest companies over the past year, most recently **Pope & Talbot Inc.** Offers began being accepted last week on a portfolio comprising 15,800 acres in the Kootenays that Pope & Talbot hopes to sell.

"I've received huge, huge, huge interest," Lester said, noting that more than 300 prospective buyers registered their interest in the portfolio

and that 50 offers had been received by last Tuesday.

Lester expects the portfolio to yield timber lands, development opportunities or straight recreational properties (21 of the 35 properties in the portfolio boast waterfrontage).

Pope & Talbot, in turn, stands to realize the value of the properties at a time when the market isn't delivering a return on timber that shareholders might like.

"You've got a real requirement on the part of forest companies to still show shareholder value," said Lester, who has represented **TimberWest Forest Corp.**, **Western Forest Products Inc.** and **Tembec Inc.** in similar deals.

A short list of potential buyers should be ready by the end of the month.

Marriage of conveyance

The province's biggest conveying firm recently got a bit bigger.

Port Moody's Spagnuolo & Co. Real Estate Lawyers, which has 12 offices in the Lower Mainland and logged 7,000 deals last year, joined forces with **Westbank's Bassett & Co.** at the start of September.

Tony Spagnuolo, princi-



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pal of the Lower Mainland firm, became a partner in Bassett & Co. Spagnuolo said the new company, **Bassett Spagnuolo Law Offices**, will be the beachhead for the expansion of Spagnuolo's business throughout the Okanagan. The firm's Lower Mainland division will retain the Spagnuolo & Co. name.

Spagnuolo sees the deal providing both firms efficiencies in processing, as well as making better use of Spagnuolo's technology that allows centralization of various back-office functions.

Plans call for the opening of three new offices in Kelowna and Vernon over the next year once the Westbank firm's activities are fully integrated with Spagnuolo's Lower Mainland data centre.

Spagnuolo expects deal volume to rise to 900 a month from the current 600.

Spagnuolo has practised law since 1991, but began focusing on residential real estate in earnest in 1995.

He has since built up a stable of clients that includes such major B.C. residential marketers and developers as **Rennie Marketing Systems** and **Polygon Homes Ltd.** ■

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