

## Winnipeg-based REITS enjoy strong growth spurts

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By Martin Cash

THERE might be losses on their bottom line, but Huntingdon and Lanesborough real estate investment trusts tripled and doubled their top line in 2006.

Both Winnipeg-based REITs went through aggressive growth spurts in 2006, and Arni Thorsteinson, the CEO of both, said there is no intention to slow down in 2007.

Both REIT's recently completed significant new equity offerings -- a \$47-million one at Huntingdon which is set to close later this week and a \$25.7-million one at Lanesborough which closed in December. And Thorsteinson said both will likely go back to the market to raise more money later this year.

"We think that 2007 will be even busier," Thorsteinson said

Lanesborough Real Estate Investment Trust (TSX:LRT.UN), a residential property owner, reported a full-year-loss of \$3.8 million. That was up from \$2.1 million in 2005. But its annual revenues jumped to \$30.5 million from \$17.8 million. Huntingdon Real Estate Investment Trust (TSX:HNT.UN), which owns commercial properties, posted a small loss of nearly \$75,000 last year, reversing a profit of almost \$500,000 for 2005.

However, its annual revenues rose to \$57.4 million from \$18.4 million as the company expanded through acquisitions.

During the fourth quarter, Huntingdon had a net loss of \$115,446, compared to a loss of \$177,179 in the third quarter of 2006.

It's not unusual for REITS to lose money in their first few years of operation because they need to make a lot of acquisitions in order to build up their property portfolios. L-REIT was launched in 2002 and H-REIT is two years old.

In the past month alone, H-REIT has acquired three industrial buildings in Alberta for \$19.6 million, as well as a 50 per cent interest in a large retail/office/warehouse building near the Winnipeg airport for \$7.4 million.

Thorsteinson said H-REIT will be able to leverage its \$47 million in new equity into about \$200 million in additional assets.

In 2006, the value of its portfolio of buildings, most of which are in Western Canada, grew by 52.8 per cent to nearly \$400 million.

L-REIT, which specializes in residential properties, grew its asset base by about \$68 million in 2006 and Thorsteinson said there is about \$200 million worth of new acquisitions being completed or under contract.

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