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Lanesborough enjoys net income jump

Acquisitions, lease termination pay dividends

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THE recent acquisition of two new properties is already paying dividends for a Winnipeg-based real estate investment trust.

The Lanesborough Real Estate Investment Trust (LREIT) saw its net income jump more than fivefold in the third quarter of this year, due in part to added revenue coming from a warehouse property it purchased in June in Airdrie, Alta., and a light industrial property it acquired in September in Burlington, Ont.

However, the biggest reason for the improved performance, which saw net earnings jump from $22,978 in the second quarter to $128,332 in the quarter which ended Sept. 30, was the inclusion of a $130,356 lease termination fee which was paid by a tenant in Lanesborough's Kenaston Place office complex in Winnipeg. The revenue gain was only partially offset by $32,073 in non-recurring trust expenses that were incurred in assessing a potential property acquisition.

Gino Romagnoli, Manager of investment services for Shelter Canadian Properties, the Winnipeg-based firm which manages the Lanesborough REIT, said even though Lanesborough has added two new properties to its portfolio already this year, it's keen to add more.

"This is an ongoing process," Romagnoli explained. "We're looking at opportunities as they arise and we intend to grow our property portfolio."

In fact, Lanesborough officials are hoping to announce the purchase of another retail property in Western Canada within the next two or three weeks, he added.

Lanesborough's portfolio now includes the Alberta warehouse, the Burlington industrial property and the Kenaston Place/Kenaston Village office/retail complex in southwest Winnipeg.

The Kenaston Village Mall is undergoing a $1-million expansion which will see an extra 9,000 square feet of retail space built on a former CN Rail right-of-way which runs along the east side of the mall. The REIT acquired the right-of-way earlier this fall, and Giselle's Professional Skin Care Ltd. will be moving into the new space on Feb. 1.

-- Staff
