

# BUSINESS VANCOUVER



## Canada, B.C. look across the border for M&A activity during lacklustre first quarter

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Despite expectations that mergers and acquisitions (M&A) activity would pick up in the 2014's first quarter, transactions across Canada were at their lowest levels in five years, according to a report from Crosbie investment firm.

Just 189 M&A announcements valued at \$31.1 billion were made in the first quarter of 2014. This is the lowest level of activity since 2009's first quarter, when just 169 deals were announced.

Among the notable deals in B.C. was Sierra Wireless's (TSE: SW) acquisition of Vancouver's In Motion Technology. The Richmond-based wireless tech manufacturer paid US\$21 million for the business in March.

But Crosbie managing director Colin Walker told Business In Vancouver most of the big deals took

place in Central Canada. Furthermore, cross-border transactions accounted for five out of eight mega-deals — those valued at more than \$1 billion — in 2014's first quarter.

That trend continued among B.C.-based real estate investment trusts (REIT). The biggest deals to occur in the first quarter did not involve the acquisition of property on the West Coast.

Nicola Crosby real estate asset management acquired a Wisconsin property for \$24 million and an Atlanta-based apartment complex for \$49 million.

Pure Industrial REIT had two substantial transactions. The first was for a \$24-million portfolio of industrial properties. The second transaction was for nine portfolios valued at \$122 million.

But Anthem Properties kept their biggest acquisition within Canada's borders when it purchased the United Communities Calgary residential development for \$182 million.

Despite these deals, real estate was still down quite significantly compared with the year before.

Across Canada, a total of 42 transactions worth \$2.9 billion were made in 2014's first quarter compared

with 85 transactions worth \$12.4 billion in 2013's first quarter.

"Real estate's been very hot for quite a few quarters and I think we're in a bit of a readjustment period," Walker said.