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Colliers CMN Owner Buying Majority Stake in PKF

By Brian K. Miller

TORONTO-FirstService Corp., the locally headquartered owner of Colliers Macaulay Nicolls, the largest member of Colliers International, is acquiring an 80% stake in San Francisco-based PKF Consulting & PKF Hospitality Research. Concurrent with the closing, the hotel brokerage and advisory unit of CMN will be merged into PKF, creating the largest hospitality consultancy in the US.

Publicly held FirstService also is acquiring a 60% interest in Canada's largest project management firm, MHPM Project Managers, and will merge into that CMN's Canadian project management operations. The senior management of both PKF and MHPM retain the balance of the equity in their respective firms and will continue to operate as partners going forward.

FirstService CFO John Friedrichsen tells GlobeSt.com the long-term goal is to use the CMN global network to further grow the international business of both PKF and MHPM. "For the time being we will be North America focused, but we have global operations in Colliers, which will give us the opportunity to provide services on other continents," he says. "Some of the operations have consulted internationally already, but we will look at it more seriously down the road as an opportunity for expansion."

PKF provides consulting and advisory services to owners, managers and financiers of hospitality properties, including feasibility studies, appraisals, brokerage, research, litigation support and asset management. Founded in 1935, it employs 70 people in 10 offices across the US. MHPM, founded in 1989, provides development, construction and renovation services, including consulting and feasibility analysis, document review, end-to-end project management, as well as fit-out and relocation services. Based in Ottawa, Ontario, the company employs 110 people in eight offices across Canada.

The PKF and MHPM names will be used going forward because they are the better known specialty brands, Friedrichsen says. The acquisitions should add approximately US\$25 million in annualized net fee revenues to FirstService and approximately US\$4 million in annualized EBITDA.

The terms of the transactions were not disclosed by the parties involved and not otherwise immediately available. CMN chief executive Doug Frye and PKF partner Tom Callahan were unavailable Tuesday morning for comment.

In a prepared statement, Hennick says PKF and MHPM will allow FirstService to leverage its CMN assets "into substantially larger businesses as we continue to grow and develop our services into new markets." Callahan echoed the statement, saying the sale to FirstService will facilitate the expansion of PKF's business operations.

The acquisitions by FirstService follow the rapid building of CMN. Over the past two years, CMN has acquired Colliers Seeley, Cohen Financial and PGP Valuation in the US, PRDnationwide in Australia and Colliers Central & Eastern Europe.

FirstService is a diversified property services company. In addition to CMN, FirstService's brand include The Continental Group (residential property management); California Closets, Paul Davis Restoration, Pillar to Post Home Inspections, Certa Pro Painters; and Intercon Security and Security Services & Technologies.

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