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Colliers Seeley acquired

Sister real estate firm CMN seeks Southland presence

By Gregory J. Wilcox, Staff Writer November 30, 2005

Two big commercial real estate companies, already shirttail relations, got a lot closer through a union announced Tuesday.

Colliers Macaulay Nicolls Inc. said that it bought Los Angeles-based Colliers Seeley, the commercial real estate firm that's a big player in the San Fernando Valley area market.

Terms were not disclosed, but Rick Chichester, CMN's president for North America, said that the company paid more than \$20 million to expand its West Coast footprint into Southern California.

CMN bought 74.7 percent of the ongoing shareholders, 100 percent of the senior shareholders and 100 percent of the outside shareholders. That works out to CMN owning roughly 82 percent of Colliers Seeley.

Negotiations began in July.

It's no coincidence that the two companies share the same first name. Both are part of Colliers International, which is made up of 42 partners that own shares in the company and own licenses for the markets they serve. CMN, a unit of FirstService Corp., is the largest partner.

No immediate changes are anticipated at Colliers Seeley for at least three months. Any that are forthcoming will be approved by a five-member board consisting of three executives from CMN and two from Colliers Seeley.

"We'll spend the next three months hearing what the employees feel is important to them," Chichester said. "We look to grow that business. I do see possibly adding other services that are not in Seeley such as appraisal and property management."

Chichester, a resident of the city of Orange, said that some headquarters operations may be moved into the Orange County office.

Analyst Matthew A. Litfin at Blair & Co. LLC in Chicago said that it's a good deal for both companies.

"My experience with FirstService making acquisitions over the last decade has been that they treat acquired companies and management teams with a lot of respect and give them autonomy," he said.

And with Colliers Seeley's minority ownership still in place, that company has to

continue to perform.

Colliers Seeley has 12 Southern California offices, including Encino, Valencia and Oxnard. The company has 138 brokers spread across Ventura, Los Angeles, Orange, Riverside and San Bernardino counties.

"The strategic opportunities inherent in this partnership make as much sense for us as they do for CMN," said Tom Taylor, Colliers Seeley's interim chief executive officer.

The goal is to double the Southern California operations over the next five years, if not sooner, he said.

The deal will be transparent to clients.

"I think the only things they will see is we'll have better tools and be better positioned to serve their needs," Taylor said.

Analyst William J. Chisholm at Dundee Securities Corp. in Toronto said that the deal works on all levels.

"I think from a business point of view it makes a lot of sense. It's the same type of business. CMN (has) a fairly significant presence in that part of the West except Los Angeles," he said.

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