

Arlington back in building business

- Calgary Herald
- 12 Jan 2010
-



Arlington Street Investments, led by CEO Frank Lonardelli, recently acquired a 23,000-square-foot building at the corner of 10th Avenue and 7th Street S.W.

When I talked with Frank Lonardelli, the conversation naturally turned to his growing up in Winnipeg.

The president and CEO of Arlington Street Investments was raised in an Italian immigrant family home. After his father died, his mother, who spoke no English at the time, provided for Frank and his three sisters.

It was not an easy time and Lonardelli could have found trouble in the inner city, but he says his passion for sports kept him focused. He was awarded a volleyball scholarship that took him to the University of Winnipeg. He then created one of the region's largest food, coffee and vending machine companies, and at the age of 27 bought his first piece of real estate.

The idea was to buy assets and hold them for strong cash flow, allowing them to be repositioned for development. He assembled a few houses on a high traffic thoroughfare adjacent to a Canada Safeway at a time when he figured the grocery chain would be relocating its stores to suburban power centres.

Two years later, Safeway moved and its site was bought by Pharma Plus, which approached Lonardelli to sell his properties to make way for a proposed block-long medical arts building. He continued with this aggressive model when he moved to Calgary in 2000, but shifted to commercial properties under the company name of Arlington, a tribute to the area of Winnipeg in which he grew up.

The company has successfully operated as a commercial syndicator since then, exclusively serving high-net-worth investors. He concentrated on assembling properties in the downtown and Beltline districts, amassing a portfolio of buildings primarily in the Inglewood, Ogden and Victoria Park areas.

Delivering solid returns in real estate means recognizing the cycles and buying and selling at the right time. When the market began to shift dramatically while he was in the process of refinancing 12 B- and C-class buildings, he made the decision to sell all of them.

Today the market has changed again and Arlington is making new investments, buying up more properties. A single-storey building that noteholders wanted to sell at the southeast corner of 10th Avenue and 7th Street S.W. is a new acquisition. Arlington has completed an exterior renovation that attracted Montauk Sofa as its first tenant last week. The 23,000-square-foot building has around 10,000 square feet of other space available for lease.

He hired another athlete as his vice-president of investment sales. Larry Scammell has degrees in kinesiology and education from the University of Saskatchewan and enjoyed teaching physical education in Canmore. He switched to real estate after moving to Calgary and found no teaching positions available here.

Lonardelli has done well in Calgary. He completed the entrepreneurial master's program on the campus of MIT and holds and manages real estate assets with an estimated enterprise value of more than \$150 million across Canada.

The rather fitting theme of the 12th Annual Bill Brooks Prostate Cancer Gala is The Glove Party. To date, it has raised more than \$3 million and every penny goes toward cancer research, education and treatment. With Canada Safeway Foundation as presenting sponsor and organized entirely by a volunteer committee, this year's event being held Jan. 22 at Hotel Arts will no doubt provide a lot more necessary funding.