

Frank Lonardelli's Passion

"It's been a very good year!"



With a steady trickle of Calgary downturn jitters, particularly on the topic of commercial real estate, the innovations and successes of Arlington Street Investments (ASI) are refreshing examples of local business positivity.

There's a familiar business cliché that decisions and performance happen from the top down. It's certainly true with the dynamic spirit, approach and entrepreneurial vision of ASI president Frank Lonardelli.

He is a dynamic and revved entrepreneur who hardly ever references the past and focuses on maximizing opportunities. He prefers to call himself "a value investor with an optimistic view towards the long term."

With a hunch, gut-feel and confidence that borders on passion, Lonardelli launched ASI in 2012, realizing that the private capital market was significantly devoid of solid, institutional-grade real estate investment options.

His vision and leadership continue to earn investor and commercial real estate respect as a high-achieving Calgary-based investment firm that specializes in growth and value creation through the entire development process, acquiring specific A locations with B, C or D class buildings that are situated directly in the path of growth and development in Calgary areas that are significantly under serviced.

Some current ASI Calgary success stories include the Windsor project (on Elbow Drive and 50th Avenue), the National Block (formerly known as the CamCrest Building on the high-traffic corner of 17th Avenue and 5th Street), and two high-profile acquisitions that will soon be announced.

There is no secret ASI formula. "Beyond creating projects that yield significantly higher returns than traditional real estate investment options, ASI's projects are built with purpose to create legacy through innovative and thoughtful design," explains Lonardelli. "We are not just a developer. We are entrepreneurs working with entrepreneurs committed to aligning the values of the communities in which they build in and their investor and tenant partners with their own.

"ASI looks for a return of capital, per project, typically within two to five years of the initial investment," he explains. "Our goal is to complete full project build outs within one to three years, but we also take on longer projects that have the potential to achieve optimal, risk-adjusted returns, as long as they meet ASI's investment criteria."

Particularly now, and especially in the battered but resilient Calgary market, Lonardelli's high energy, enthusiasm, drive and commercial real estate savvy are bucking the negative momentum and achieving solid success stories.

"Despite some jarring Calgary challenges – the bottoming of the flowing price of BOE, the bottoming of our gas market, the TSX trading at historical lows, Alberta's new NDP government, a loss of almost 200,000 Alberta jobs, bankruptcies and defaults – ASI tripled its asset base in 2015, raised 300 per cent more capital than we did the year prior and that capital was raised in one-fifth of the time.

"We also increased the value of our in-place portfolio by over 150 per cent, without taking into account the dramatic increase to the future development value of our assets.

"It's been a very good year!" Frank Lonardelli smiles. **B**

ABOVE: THE WINDSOR PROJECT (ON ELBOW DRIVE AND 50TH AVENUE).
PHOTO CREDIT: ARLINGTON STREET INVESTMENTS.