

# FINANCIAL POST



BARRY CRITCHLEY | 13/07/11 3:44 PM ET

## The return of REIT veterans, part II

In the same week that PRO REIT, a newcomer to the markets but staffed by a crew of real estate veterans, announces that it is seeking about \$78 million of equity to help finance some assets in Quebec and Atlantic Canada, word comes that another seasoned crew of real estate professionals has closed its initial public offering.

HHT Investments, a capital pool company closed a \$2 million financing this week via the sale of 20 million shares at \$0.10 per share. The shares are slated to trade on the TSX-Venture exchange Friday. HHT is so named because it represents the initials for the three principals: Scott Hayes (chief executive); Mark Hogan (a director) and Heidi Tibben, (chief financial officer.) The three have worked together in the past either at Dundee Industrial REIT (where Hayes until last April, was the chief executive and Hogan was vice-president, business development & general counsel) or at Pure Industrial REIT (where Hayes was the chief executive and Tibben (where she was vice president of operations and Hayes was chief operating officer.)

HHT Investments plans to use the proceeds from the offering ” to identify and evaluate assets or businesses for acquisition with a view to completing a “Qualifying Transaction” under the capital pool company program of the Exchange.” In a release, HHT Investments said that it “intends to pursue a Qualifying Transaction through the acquisition of real property and the reorganization into a real estate investment trust by way of a plan of arrangement.” GMP was the agent on the transaction – and received a 8% fee.

Jerome Hass, a partner at Lightwater Partners, an asset management firm specializing in alternative asset management, invested in the IPO. “We invested because they have a track record and we like the idea of them going back to their roots.” As well, Hass noted that “they are also ambitious about their ability to grow the business.”

Hass believes that HHT has come along at the right time because “there is a void in the market, for those single property acquisitions that cost between \$6 million – \$7 million. They have the financial wherewithal plus the contacts.”