

### **Calgary's market buoys Medican's confidence**

CALGARY – When Medican Construction entered Companies Creditors Arrangement Act (CCAA) protection in May of last year, the future did not look good for the Medicine Hat-based company.

It owed hundreds of millions of dollars to creditors large and small at a time when the real estate market had slowed to a crawl.

“The company was in a tough position,” says Chief Restructuring Officer Ty Schneider, who had been appointed by Court of Queen’s Bench as Chief Restructuring Officer to oversee efforts to return the construction firm to financial health. “But Medican has exceptionally talented people and it had some good projects on the go.”

Two of those projects are located in Calgary: Sanderson Ridge on Fish Creek Park and Canvas at Millrise.

“Sanderson Ridge and Canvas were always good properties, offering exceptional value for the product,” says VP of Sales and Marketing, Bill Cooper. “It was just a matter of positioning them for sale.”

This past fall, the Court of Queen’s Bench approved deals with lenders that saw construction on Sanderson Ridge resume and monies paid to trades (associated to Sanderson) owed.

“That gave us the opportunity to push ahead with our sales program; the suites have been selling exceptionally well with 14 sales in the past seven weeks,” says Cooper.

Cooper goes on to explain that Medican has sold over \$30 million worth in condos since the company entered CCAA protection, and attributes the sales to a combination of correct pricing and a rebounding real estate market. Medican has sold, and joint ventured on several projects with a value close to 200 million that will help pay back trades, both unsecured and secured.

“It’s been a rough ride,” says Schneider, “but there is now light at the end of the tunnel and it is not a freight train!”

“The housing market in Calgary is starting to pick up,” Cooper says. “This past weekend we had 22 family groups tour Sanderson (Ridge).”

Medican has also seen good sales at the Millrise project, says Cooper. “We sold three suites in the past month.” Cooper says the real estate market is returning to normal. “You’re starting to see houses sell in 35 to 40 days. That’s what you’d expect in a city this size.”

With the housing market showing signs of strong recovery, Schneider says, Medican’s prospects are good. “We’re coming down the back stretch,” he says. “We have a few more deals in the works and hope to be out of CCAA protection by the end of March.” At that time, says Schneider, the company will have a new name, a new structure and be in a position to grow along with the rest of the province.

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