

Stikeman Elliott lures away top real-estate lawyer

Setlakwe shifts his shingle amid property development and financing boom

Kathryn Leger

Gazette (Montreal)

18 May 2007

Stikeman Elliott LLP has spirited away one of Fraser Milner Casgrain LLP's top Montreal real estate lawyers.

Pierre Setlakwe, who was co-head of FMC's Montreal real estate team, will formally join Stikeman Elliott next week.

"It is an acquisition of which we are very pleased," said Stuart (Kip) Cobbett, chief operating officer and Montreal managing partner of Stikeman Elliott. "He is a senior real estate practitioner and we think that he has a strategic practice that will be very helpful for us."

Indeed, high-end commercial real estate transactions continue to be a buoyant market. And, real estate financing and development deals have become a lucrative practice area for big national law firms that have, during the past 10 years or so, taken more and more business away from Quebec notarial firms.

Setlakwe, a member of the well-known Setlakwe clan from Thetford Mines, was courted through personal contacts at Stikeman, said Cobbett, and had been with FMC since 2000, joining the firm after a stint at Fasken Martineau LLP.

At FMC, Julie Desrochers will now assume the sole lead of the firm's Montreal real estate practice group, said Vitale Santoro, FMC's Montreal managing partner. "It's always unfortunate to see a partner leave, but corporate lateral movement (moving from one law firm to another in the same practice area) is a fact of life in the legal community and we wish Pierre the best."

Both Stikeman and FMC will now have close to a dozen real estate practitioners - considered a good number for real estate in Montreal.

"The real estate market is excellent right now and just happens to be a very strong market in the province of Quebec, with properties, because of long-term investments by REITs (real estate investment trusts) and pension funds, selling for all-time-high prices," said Neil Stein of Stein & Stein Inc.

Stein's firm did the legal acquisition and financing work for property acquisitions (including one deal where Setlawke represented the seller) during the asset buildup by Montreal's Alexis Nihon Real Estate Investment Trust before its recent acquisition by Halifax-based Homburg Invest Inc.

Stein said the legal market for real estate work has changed significantly in the province during the past decade or so.

In Quebec, unlike in other provinces, notaries have the exclusive power to execute any mortgage deal. But law firms have progressively taken much of the other work for commercial real estate deals that used to be performed by notaries, such as purchase and sale and deal financing agreements.

"More and more today you are seeing that every major real estate deal is drafted by a law firm, as opposed to a notarial firm and it's become a very lucrative department and a very major part of all law firms' - major law firms in particular - practice," Stein said.

The trend increased when investors, notably pension funds and REITs from outside Quebec, used to working with lawyers on deals, began investing more in the commercial property market in Quebec.

As well, said Stein, "when law firms started to become more and more national and some of the bigger Ontario law firms opened up shop here, they were used to doing all the real estate work on behalf of their clients. They saw this as an area that could really be built up as a mechanism to create business, and that really created a competition among the (Quebec) law firms."

Elsewhere, in a development that is providing grist for the rumour mill, four real estate lawyers have left Desjardins Ducharme LLP to join BCF LLP. With the arrival of Christian Drapeau, Johanne Berube, Nicolas L. Forest and David Waddell, BCF now has a team of 13 lawyers working in real estate practice

on mandates involving project development, acquisitions, commercial and industrial property rentals and management.

Former prime minister Brian Mulroney, a senior partner with Ogilvy Renault LLP since 1993 (he started at the law firm upon graduation from law school in 1964), is the winner of the Medaille du Barreau du Quebec, the highest honour that the Bar awards annually to an individual who has made a significant contribution to Quebec society in the legal field.

The Bar said Mulroney contributed to the "evolution of constitutional thought (following Canadian constitutional talks during his time as prime minister) and to the recognition of (the concept of the) nation of Quebec by the House of Commons in 2006," and international human rights because of anti-apartheid sanctions his government undertook against South Africa in 1985.

For its part, Lavery de Billy LLP has the distinction of having two of its lawyers, Michel Yergeau and Jean Saint-Onge, recognized for Merite du Barreau awards this year. Yergeau, chairman of Lavery de Billy's board, is being honoured for his contribution to the development of environmental law and public consultation practices. Saint-Onge, chair of the Bar's class actions committee, received the award for his work on behalf of the Bar and community involvement.