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Wednesday
December 27, 2006

Pan-American Life building sold

*Insurance firm
to remain at site*

By Greg Thomas
Real estate writer

The Pan-American Life Center at 601 Poydras St., which is connected to the **InterContinental Hotel** and home of an insurance company, has been sold to a public real estate company

from San Diego.

Pan-American Life Insurance Co. will remain in the building and continue to be an anchor tenant, according to a statement released by the company Tuesday. Last year, Pan-American Life Chief Executive Officer Jose Suquet said the company was considering selling the building to a buyer that would allow the insurance company to continue to lease offices in the complex while possibly downsizing its space for efficiency.

Suquet said Tuesday that the

building had been scheduled to be listed on the market the day Hurricane Katrina hit. But the storm shelved those plans. **Equastone** sought the deal announced Tuesday, Suquet said.

Pan-American will be downsizing its presence in the building significantly, from about 210,000 square feet to 73,000 square feet, immediately opening up space for the new buyer to lease.

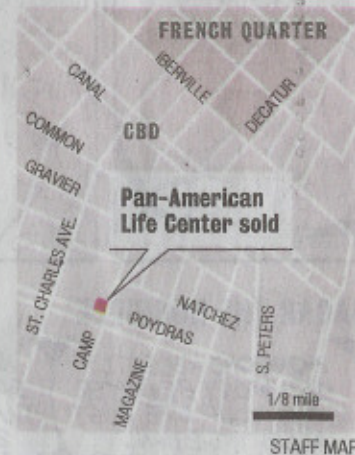
However, the company has no plans to reduce the number of employees it has in the build-

ing, about 320. Suquet said Pan-American has spent a large sum of money redesigning its smaller space and that it is actually more comfortable and efficient for employees.

Suquet said Pan-Am has entered a new 10-year lease with numerous options and that the firm plans to stay in the building "a long, long time."

Representatives from Equastone were unavailable for comment.

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Insurance company won't cut its staff

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Equastone is a real estate investment trust from San Diego that looks to undervalued markets where improvements in the local market are expected, according to its company profile.

Suquet said in a written statement that the sale was "essentially a decision to restructure the company's balance sheet, making an already financially strong insurance company

even stronger. The move also fits in with the company's continuing strategy of focusing exclusively on its core business."

Pan-American's "partnership interest" in the InterContinental Hotel was not affected by the sale, and the hotel remains one of the insurer's prime local investments.

Pan-American employs 800 people worldwide and provides health and life insurance in 43 states and Latin America.

The decision to sell the building was approved unanimously by Pan-Am's board of directors, according to a press release from the company.

The Pan-American building is the fourth-largest Class-A office building in the city, with 685,000 square feet of rentable space and 28 stories. It was built in 1980.