



# Canada Market Overview

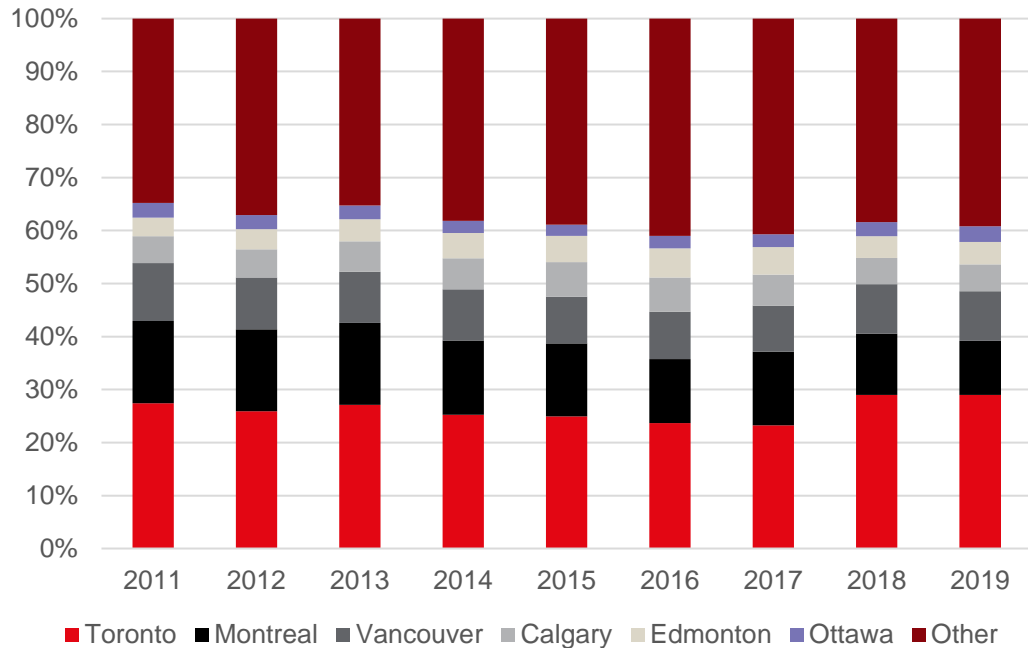
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# Demographics Immigration has driven growth in Canada



Canada has one of the highest immigration rates in the world; approximately 50% of these immigrants find their way to Toronto, Montreal, and Vancouver

Immigrant Destinations in Canada



50% of new immigrants go to Toronto, Montreal, and Vancouver

Immigration by Year

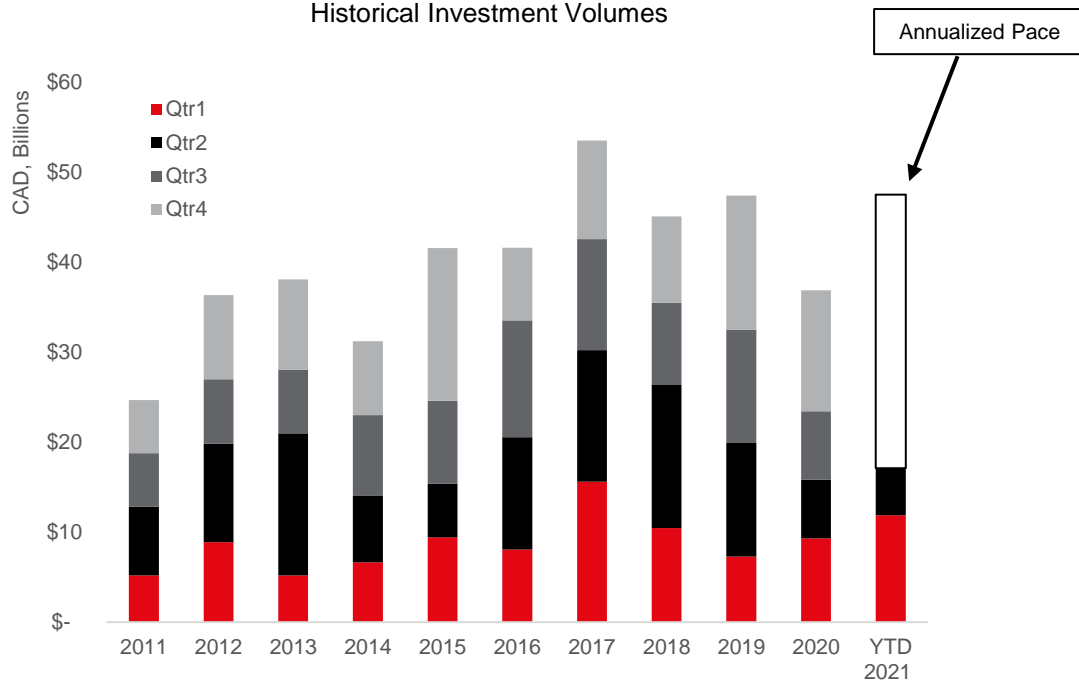
Year	National Immigration
2011	259,110
2012	260,040
2013	263,100
2014	267,920
2015	240,760
2016	323,190
2017	272,710
2018	303,330
2019	313,600
2020	184,000
<b>2021 target</b>	<b>401,000</b>
<b>2022 target</b>	<b>411,000</b>
<b>2023 target</b>	<b>421,000</b>

# Investment Market Canada Investment Volumes



Investment volume is up by 28% over this point in 2020, and up 4% over the quarterly 5-year average. Multifamily, land, and industrial are trading at record levels.

Historical Investment Volumes



Investment Volume by Sector

		Vs. Q1 2020	Vs. 5-year Qtr. Avg.
Office		- 54%	- 75%
Industrial		+ 105%	+ 78%
Hotels		- 21%	- 70%
Land		+ 64%	+ 81%
Multifamily		+ 12%	+ 27%
Retail		+ 47%	- 15%
Alternatives*		- 56%	- 65%
Overall		+ 28%	+4%

Source: JLL Research, Real Capital Analytics, Altus Realnet, Gettel Network, CoStar, Commercial Edge  
 Transactions > \$5m CAD  
 Excludes residential lots and single-family homes

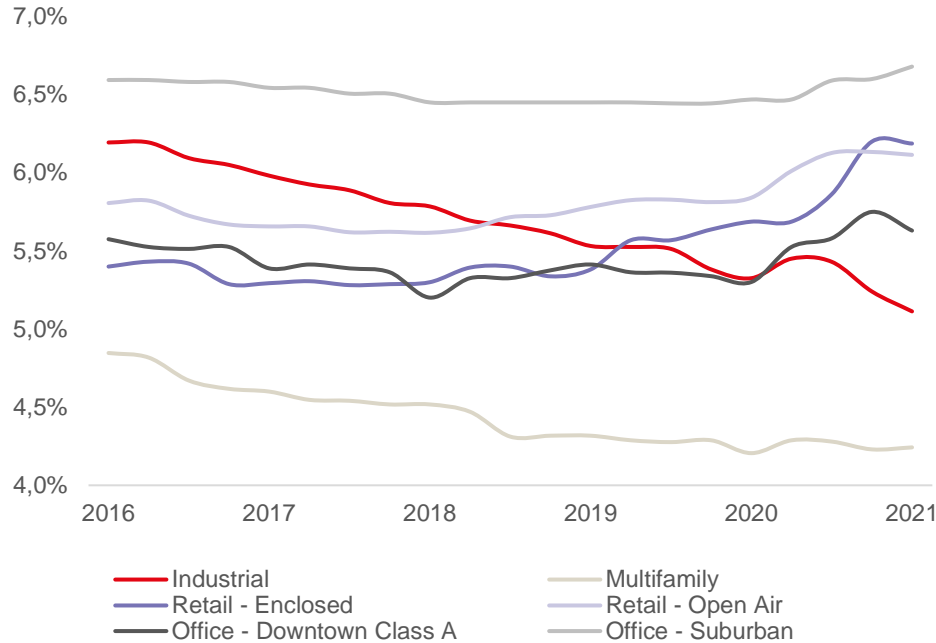
\* Alternative assets include senior housing, data centres, life science, cold storage, self storage, and automotive dealerships

# Investment Market Average cap rates



After seeing strong hikes in 2020, office and retail cap rates are beginning to stabilize as vaccinations pick up; industrial and multifamily are trading at record low cap rates.

Average Sector Cap Rates: Historical Trends



Average Sector Cap Rates: Comparison

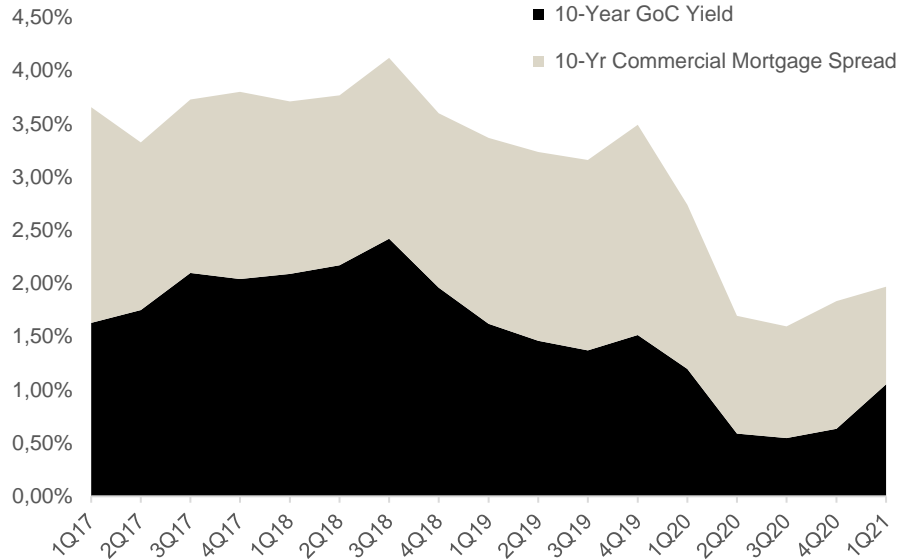
	Current National Average	Vs. Q1 2020	Vs. Q1 2019
Office: Downtown Class A	5.63%	+ 33 bps	+ 22 bps
Office: Suburban Class A	6.68%	+ 21 bps	+ 23 bps
Industrial	5.11%	- 22 bps	- 42 bps
Multifamily	4.24%	+ 3 bps	- 8 bps
Retail: Enclosed	6.19%	+ 50 bps	+ 81 bps
Retail: Open Air	6.12%	+ 28 bps	+ 34 bps

# Investment Market Bank of Canada Yield Curve

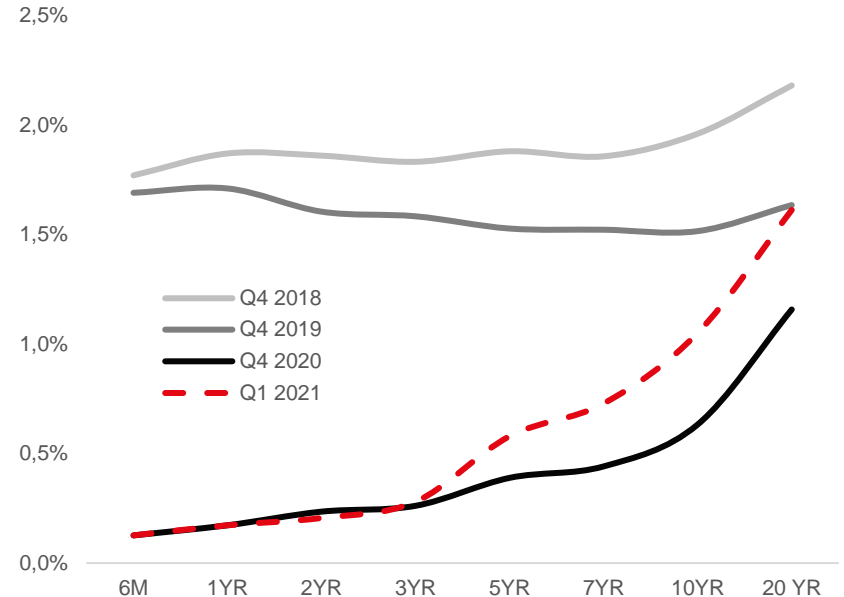


Rising bond yields are pushing up the cost of capital; lenders are growing increasingly selective though they are beginning to relax standards as the pandemic wanes.

### 10-Yr GoC Loan vs. 10-Yr Commercial Mortgage Spread for Top Tier Loans



### Bank of Canada Yield Curve: Quarterly Average

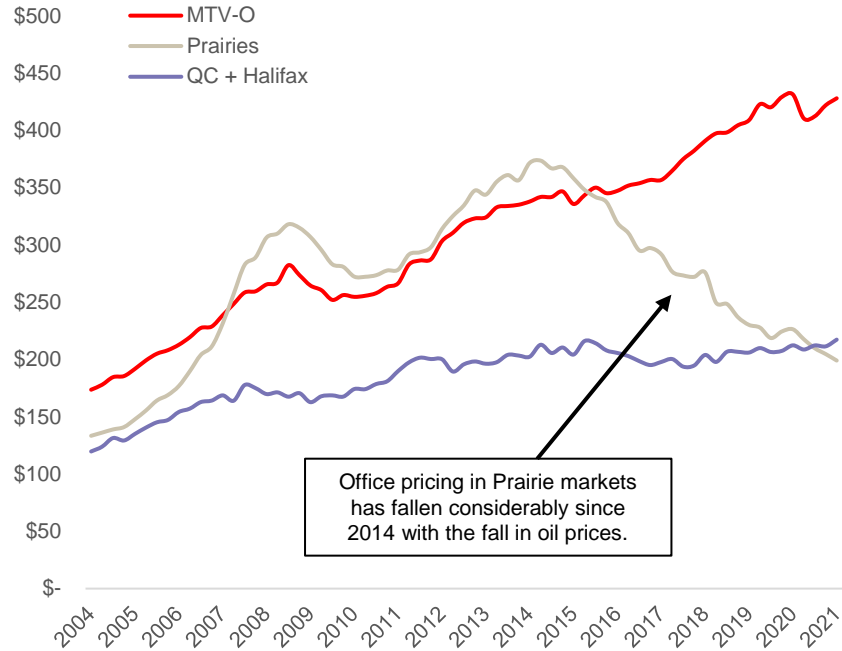


# Office and Industrial Markets Asset Pricing

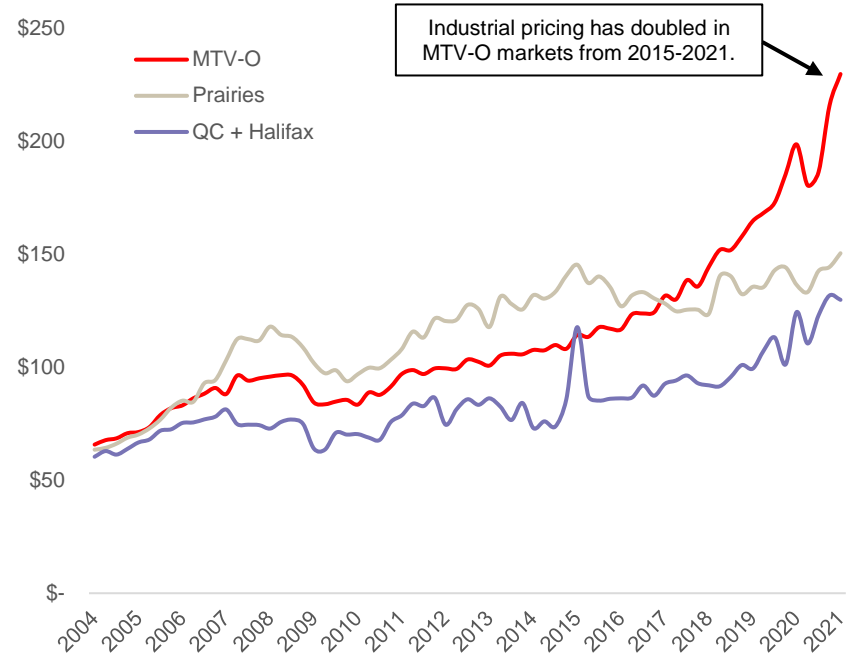


Office pricing has exploded in the MTV-O markets and plummeted in the Prairies, while industrial pricing has seen strong growth across the board. QC and Halifax have been more stable

Average Pricing PSF (CAD): Canadian Office



Average Pricing PSF (CAD): Canadian Industrial



Source: JLL Research, Altus Investor Trends Survey  
MTV-O Markets: Montreal, Toronto, Vancouver, and Ottawa  
Prairie Markets: Calgary, Edmonton, Winnipeg, Saskatoon, Regina

# Multifamily Stock by Market



Eastern Canada – and especially Quebec – have a strong rental culture. This is reflected in more apartment units per capita in places like Montreal, Ottawa, Quebec City, Halifax, and London

