

# EMERGING TRENDS IN REAL ESTATE

REFLECTIONS AND  
REFUTATIONS

## **Ample global capital chasing limited product**

- Institutions and large investors see benefits of real estate
- Low interest rates sustaining a search for yield
- Lack of product is forcing investors to be creative

## **Canadian real estate adjusting to economic forces**

- Lower commodity prices pressuring fundamentals in some markets...
- ... but other sectors are seeing the benefits of a lower Canadian dollar
- Low interest rates supportive of pricing

## **The profile of our cities is changing**

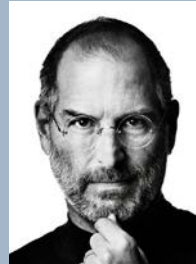
- How we live, work, play and interact is evolving
- Generational shifts and new technologies are changing our society
- Real estate is responding, both in the nature and location of our commercial space

# EMERGING TRENDS IN REAL ESTATE

REFLECTIONS AND  
REFUTATIONS

## New technologies

- Further evolution is coming
- Real estate will respond to these disruptive forces

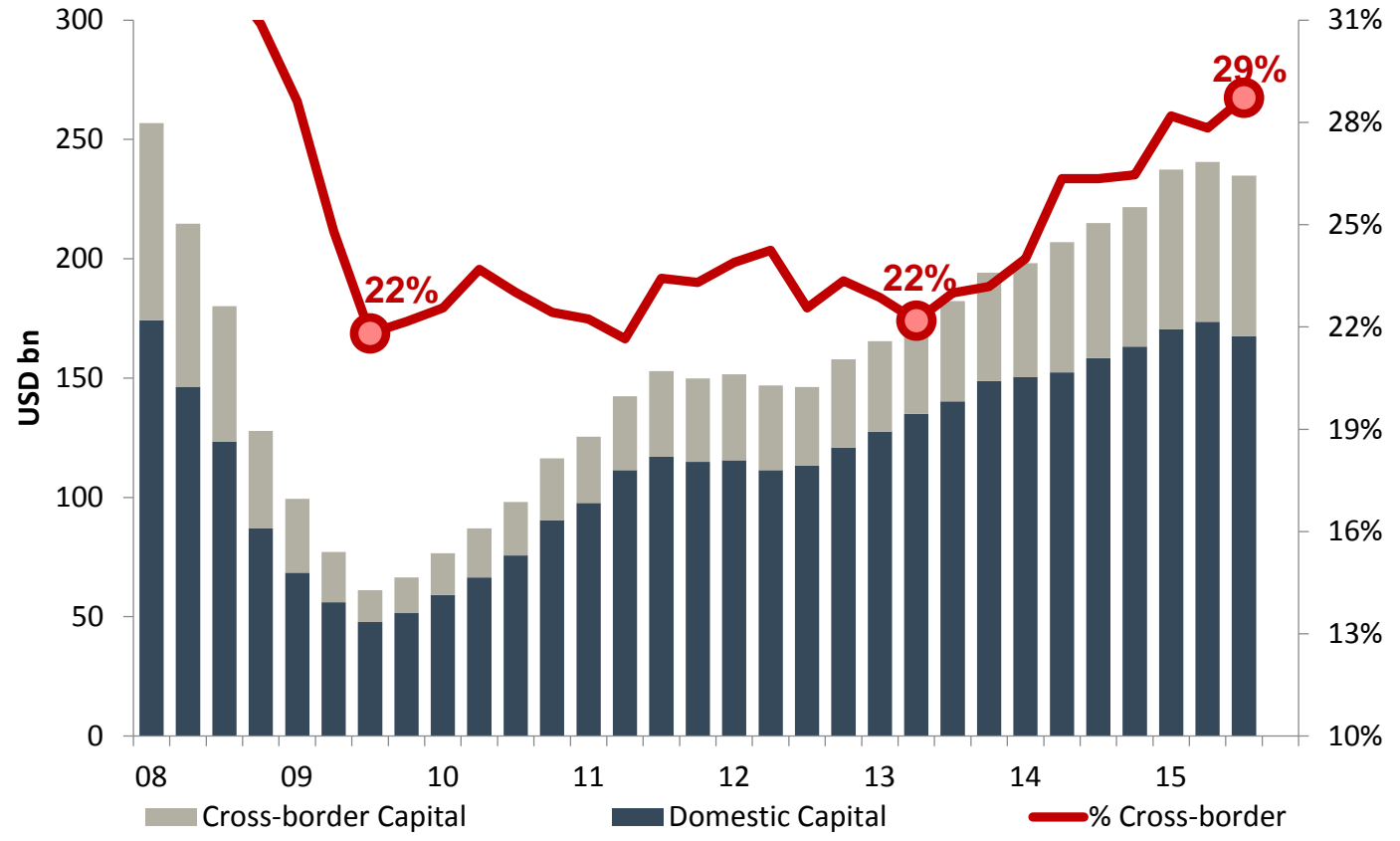


*“You’ve got to start with the customer experience and work back toward the technology – not the other way around”*

# EMERGING TRENDS IN REAL ESTATE

## GLOBAL TRANSACTION ACTIVITY

Global Transaction Volumes (4 Qtr Avg)

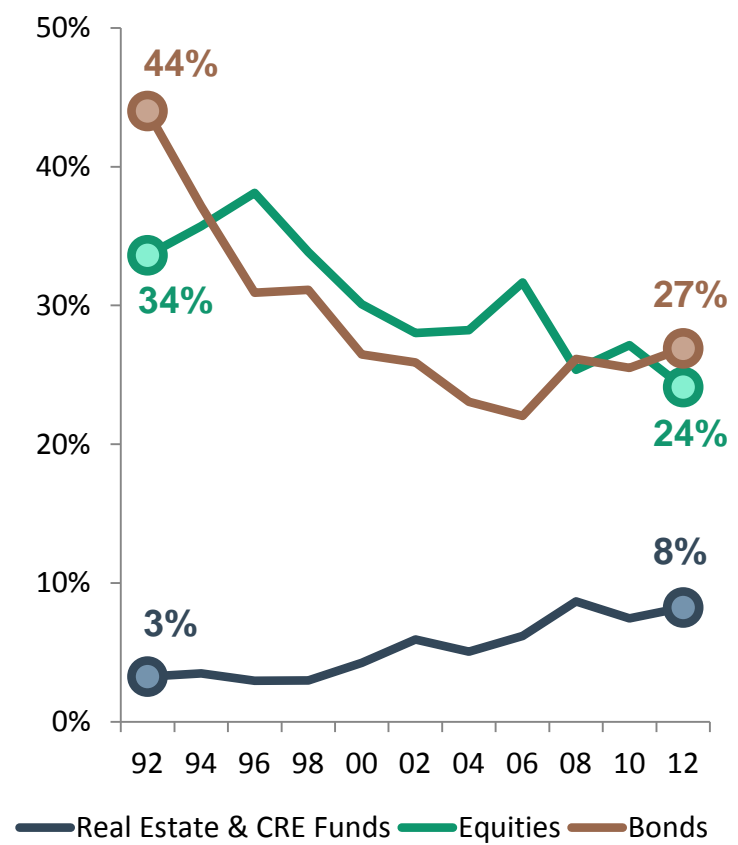


Source: RCA

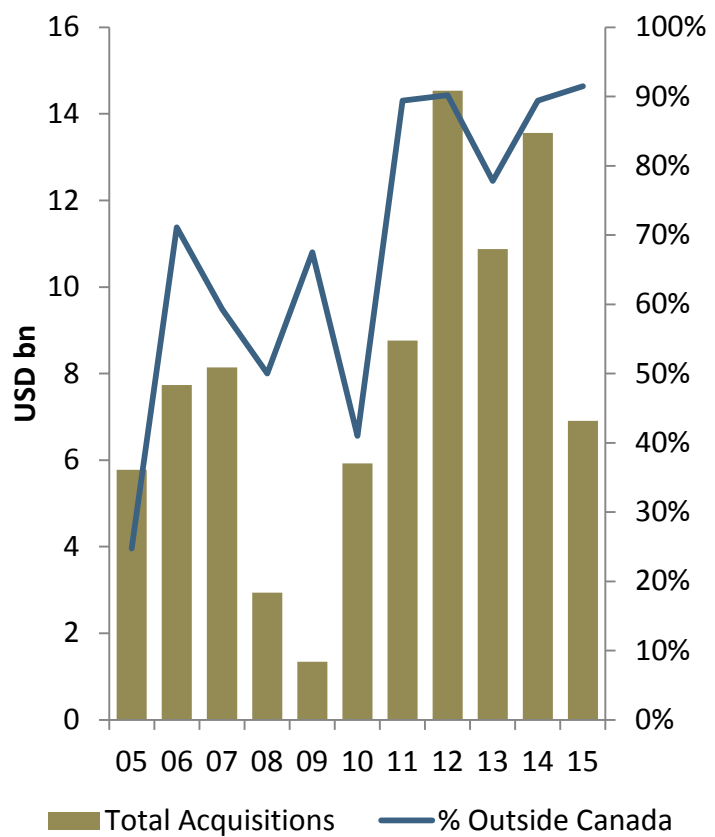
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## PENSION FUND INVESTMENT TRENDS

Cdn Pension Fund Allocations



Cdn Pension Fund Acq. Trends

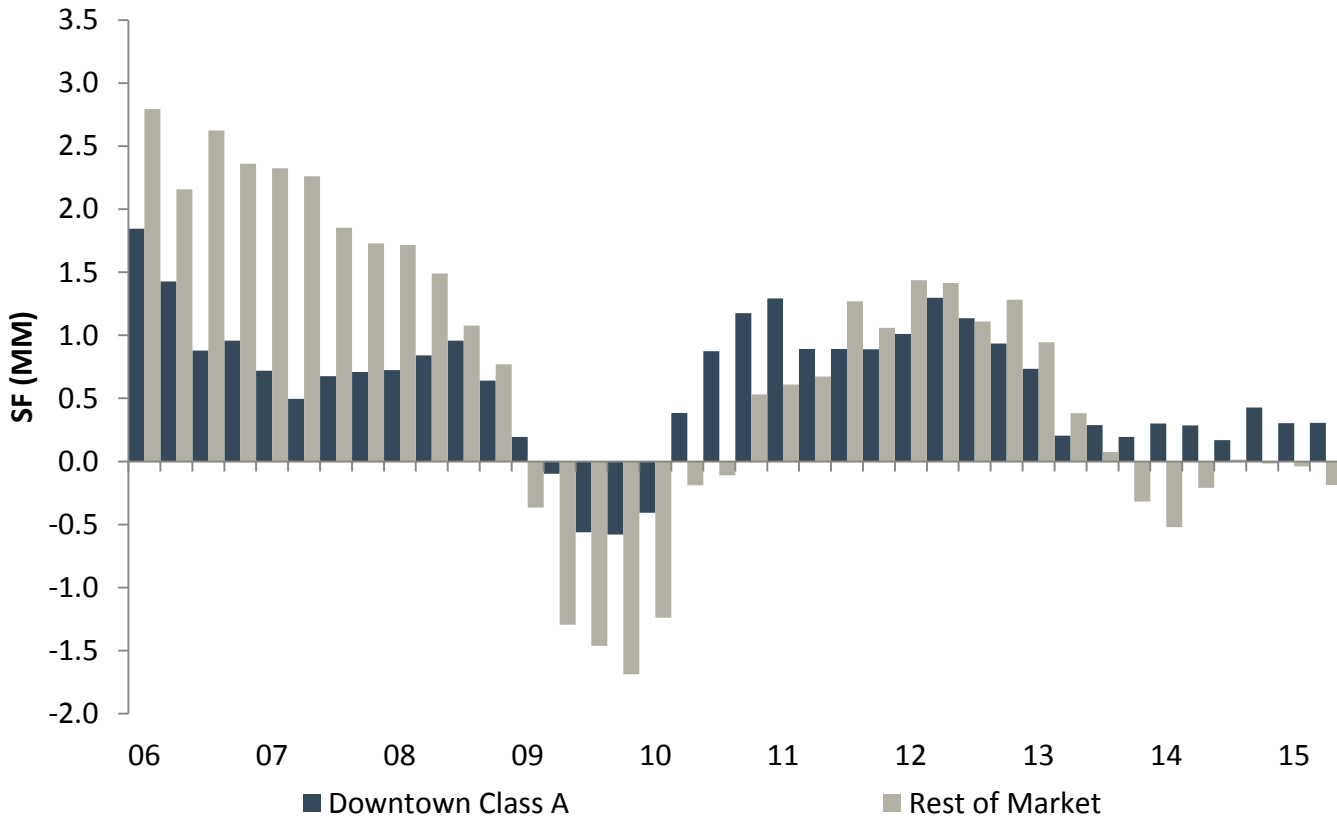


Source: StatsCan, CBRE

# CANADIAN MARKET OUTLOOK

OFFICE SEEING LIGHTER DEMAND, BUT DOWNTOWN CLASS A MARKETS OUTPERFORMING

## Office Absorption Across Major Canadian Cities

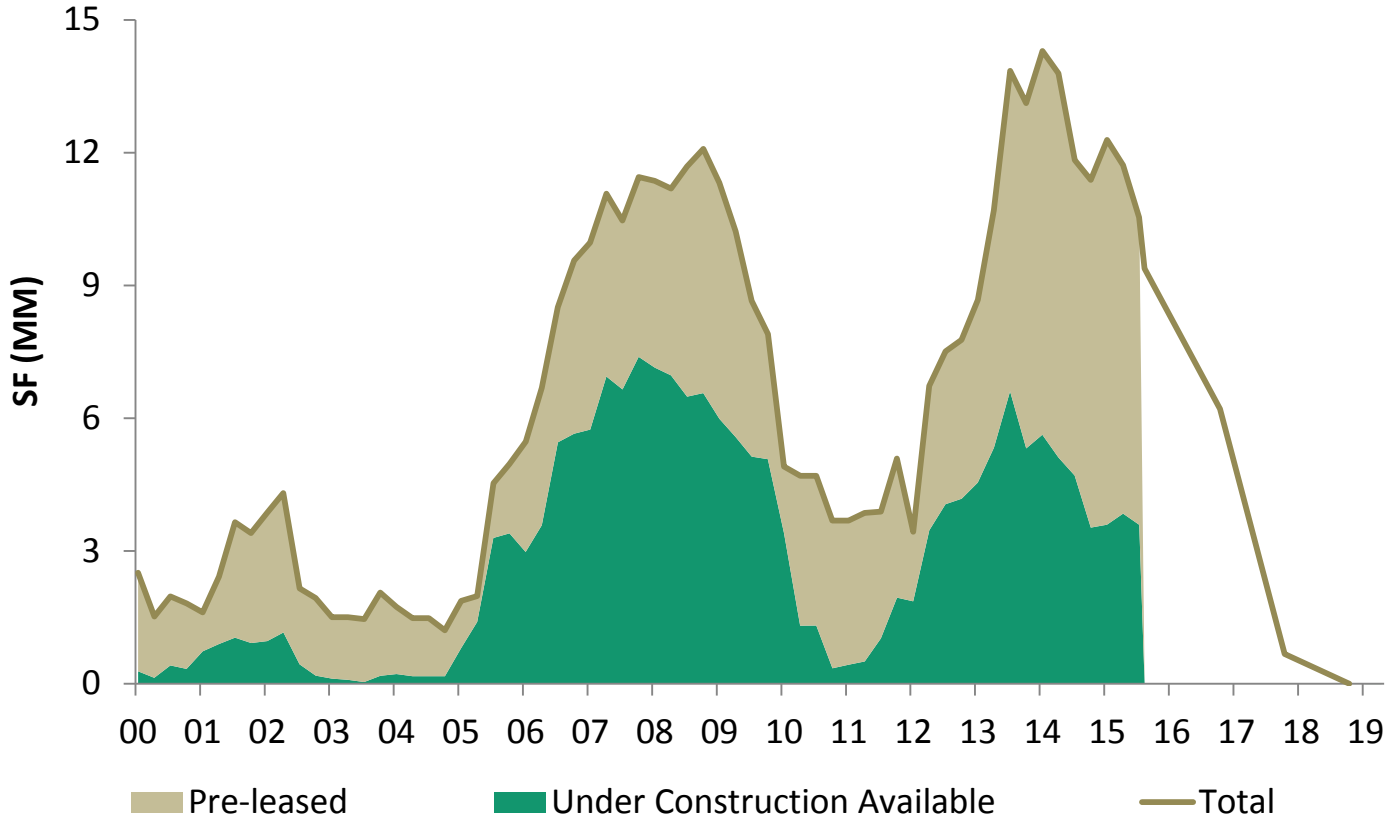


Source: Altus

# CANADIAN MARKET OUTLOOK

OFFICE DEVELOPMENT  
CYCLE REACHING LATER  
INNINGS

## Canadian Major Office Market Development Cycle



Source: Altus

OXFORD

# CANADIAN MARKET OUTLOOK

THE FACE OF RETAIL IS  
CHANGING

Focus on wave of New  
Anchors...



... Experiential...

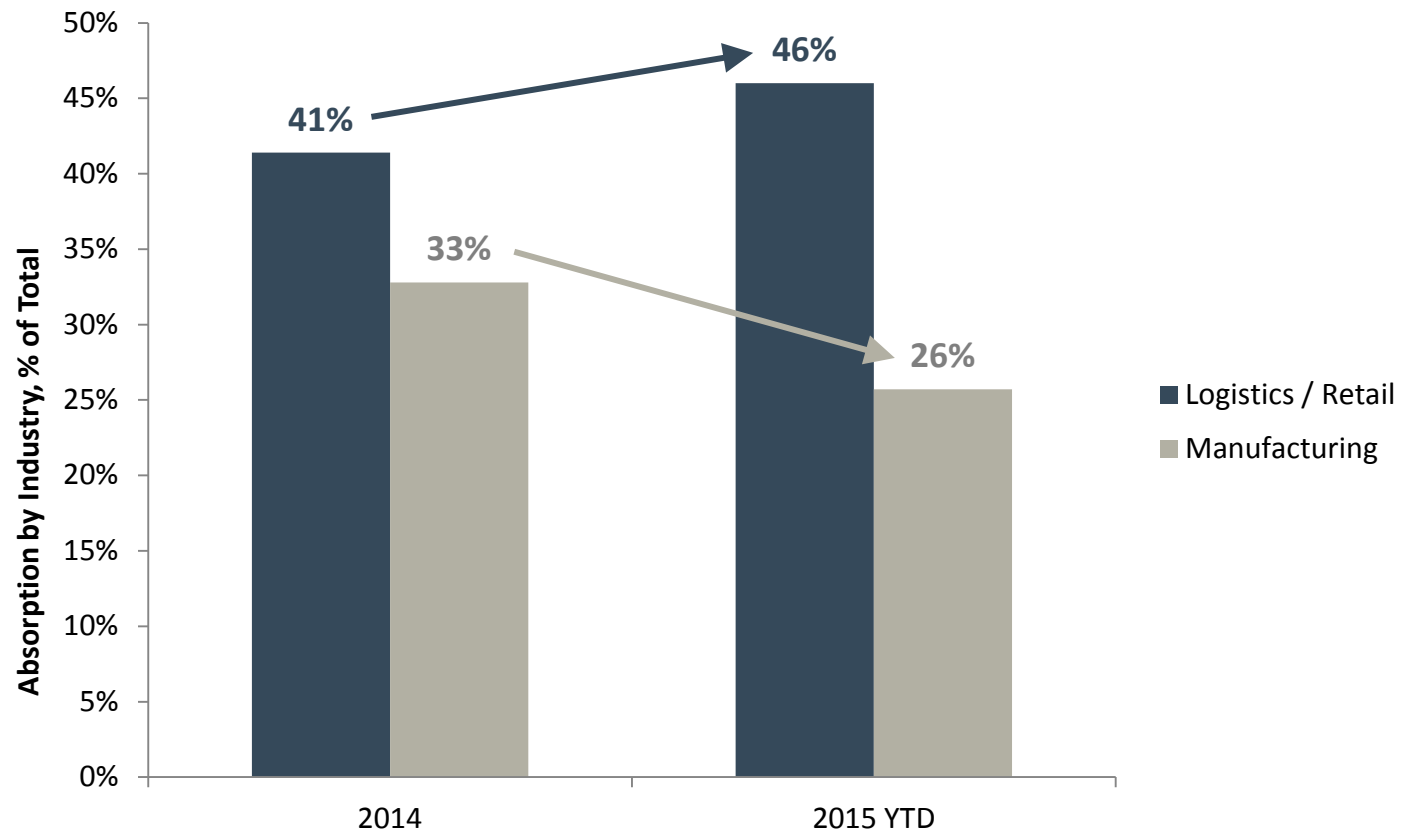
... and Flagships



# CANADIAN MARKET OUTLOOK

LOGISTICS TENANTS  
DRIVING INDUSTRIAL  
DEMAND

## Industrial Space Demand Trends



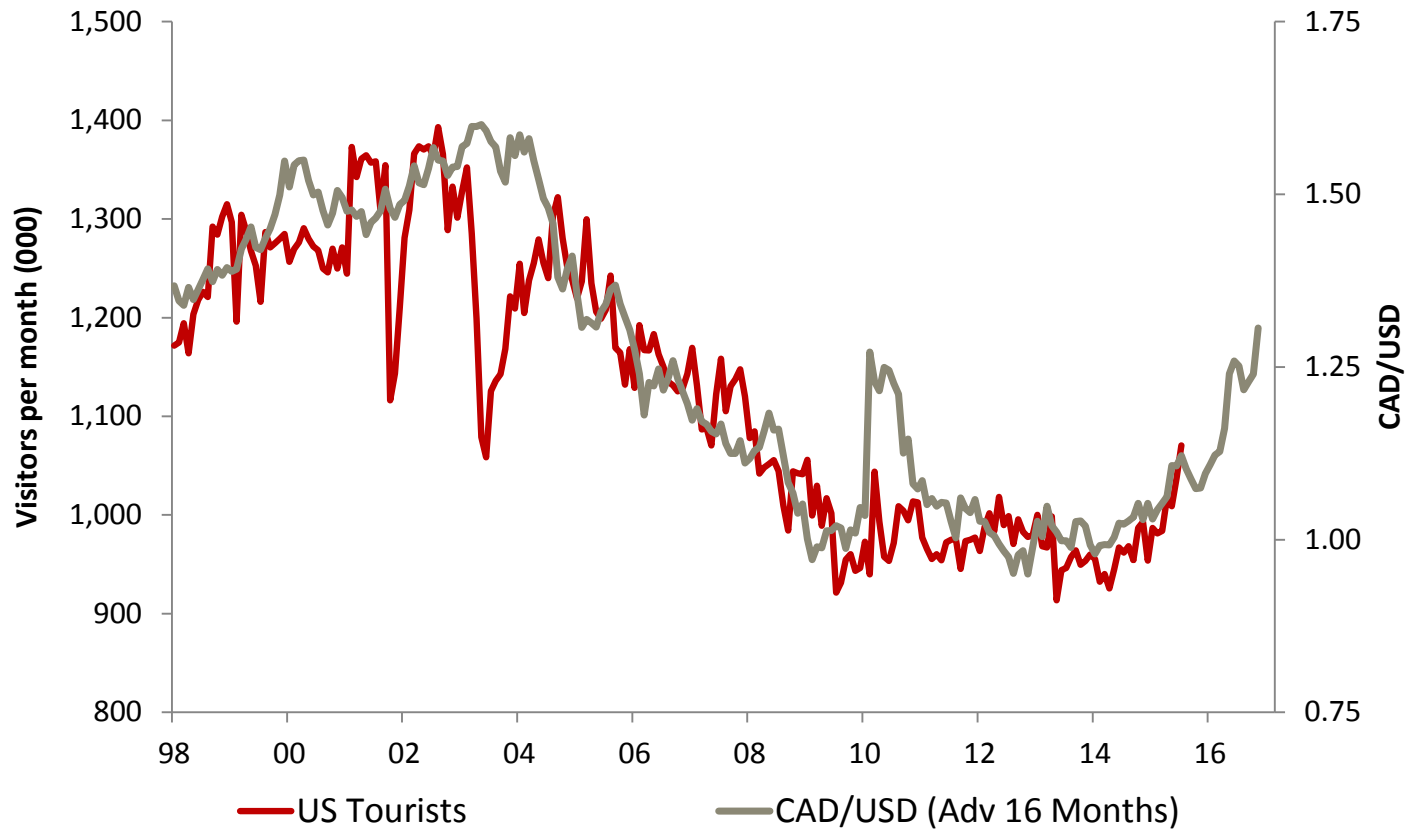
Source: CBRE



# CANADIAN MARKET OUTLOOK

HOTELS SEEING BENEFIT OF WEAKER CAD

## Canadian Hotel Performance and Outlook

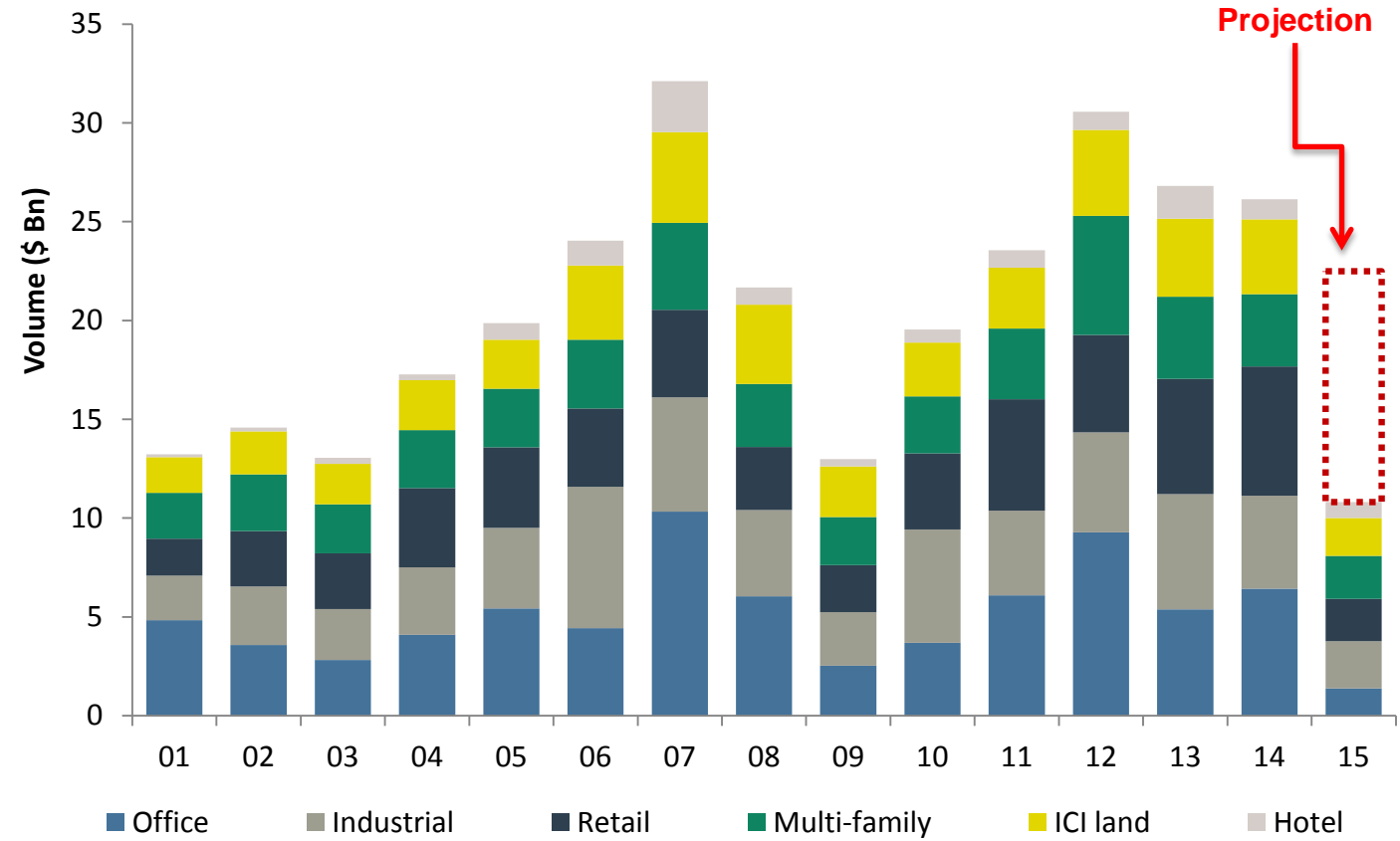


Source: Thomson Datastream

# CANADIAN MARKET OUTLOOK

INVESTMENT ON TRACK FOR HEALTHY, AVERAGE YEAR

## Canadian CRE Investment Volume

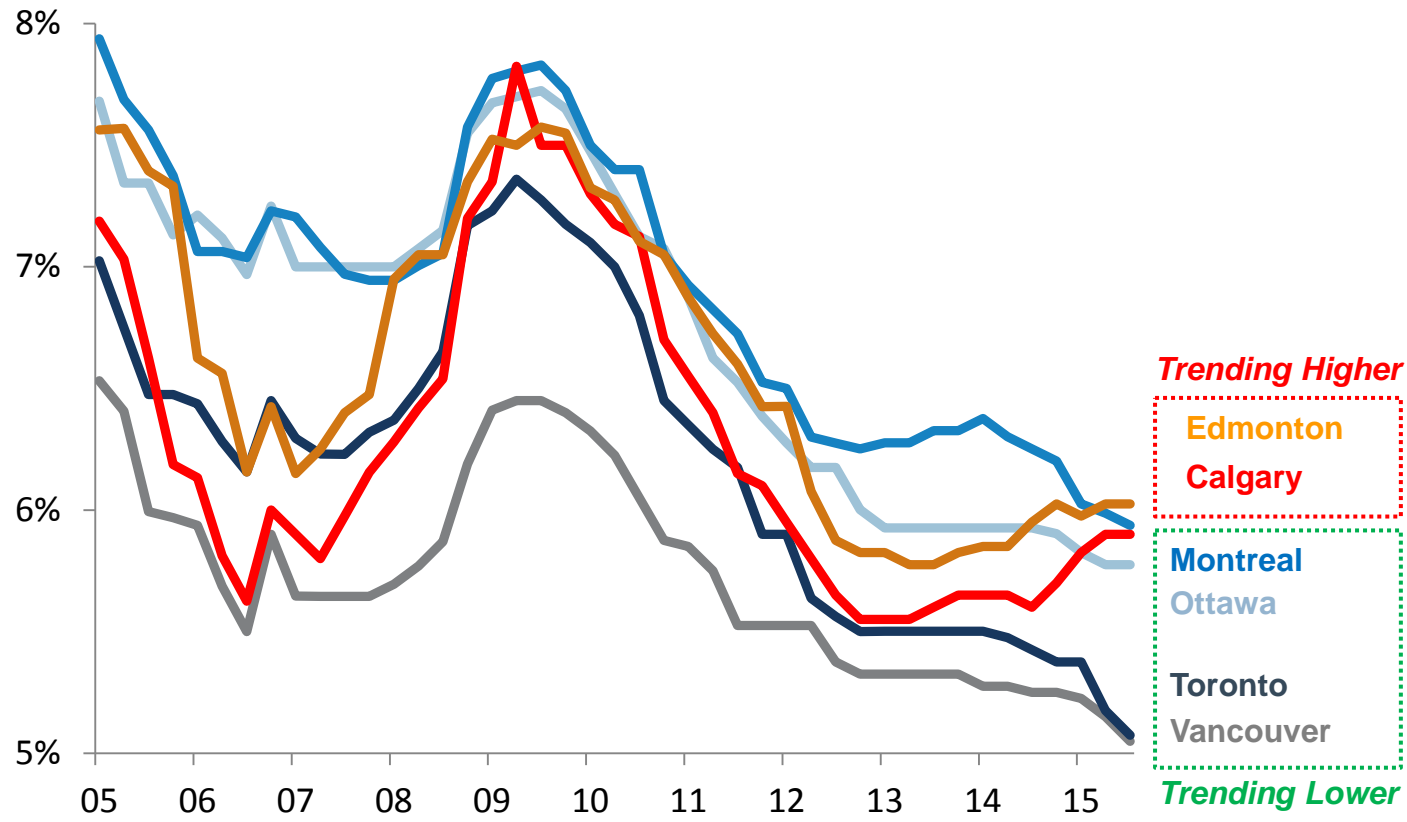


Source: CBRE

# CANADIAN MARKET OUTLOOK

CAP RATES GENERALLY TRENDING LOWER

## Canadian Cap Rate Trends\*

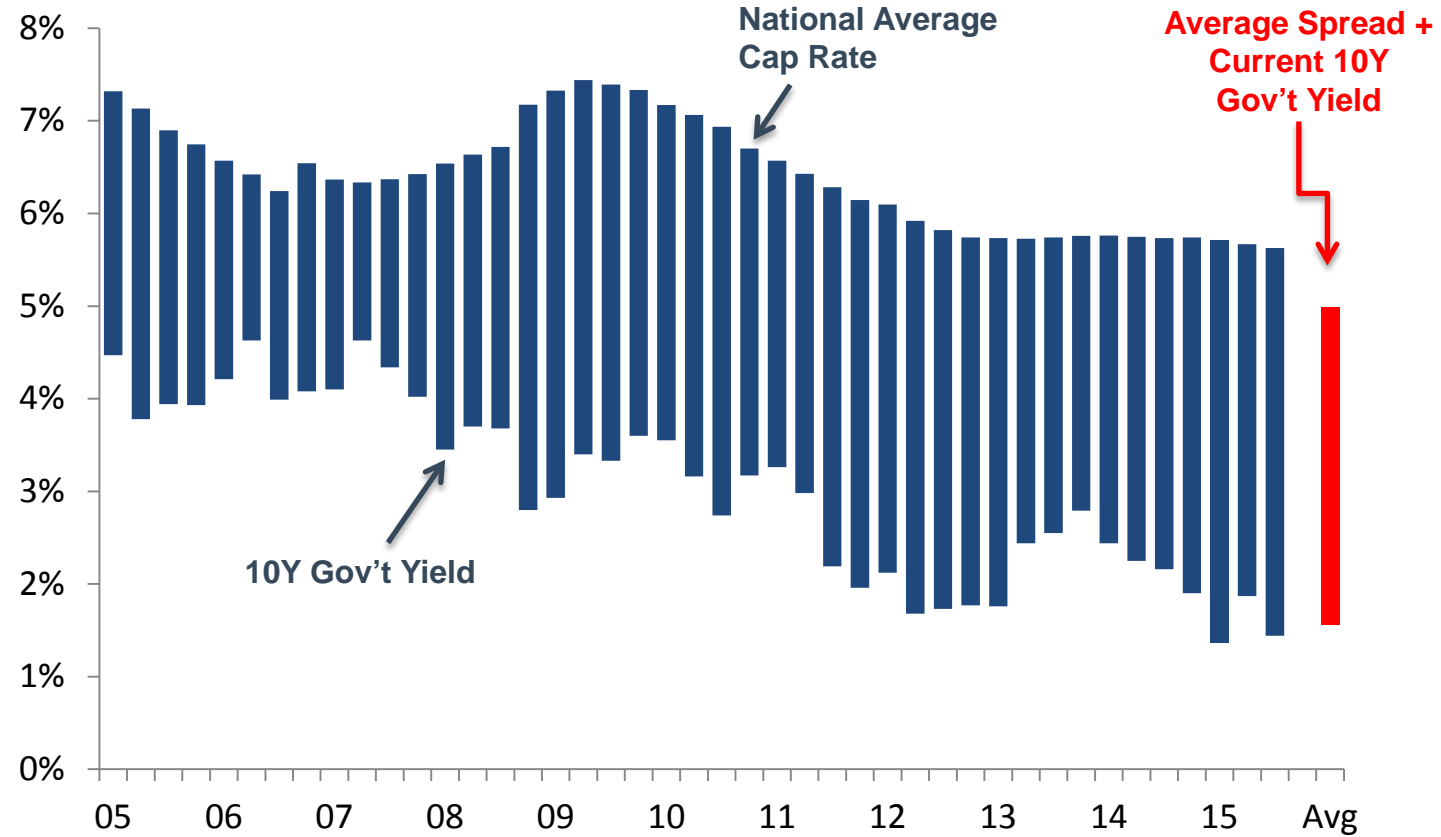


Source/Notes: CBRE, Oxford Properties; \*Average of High Quality Office, Retail, Industrial and Multifamily Sectors

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Source: CBRE, Thomson Datastream, Oxford Properties; \*National Average of High Quality Office, Retail, Industrial and Multifamily Sectors