

CBRE LIMITED  
PRIVATE CAPITAL GROUP

# Q2 2017

## Suburban Investment Update

**CBRE**

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DIVERSIFIED PERFORMANCE



**SOLD**

**300 WELLINGTON STREET**

London, ON	
Price	Confidential
Size	84,509 sq. ft.
Asset Class	Office
Buyer	Confidential



**SOLD**

**GOVERNMENT LEASED ASSETS**

Aylmer and Minden, ON	
Price	\$6,786,140
Size	10,042 sq. ft. & 18,415 sq. ft.
Asset Class	Commercial
Buyer	Private Investor



**SOLD FIRM**

**29 MAIN STREET SOUTH**

Georgetown, ON	
Price	Confidential
Size	3,200 sq. ft.
Asset Class	Retail
Buyer	Confidential



**SOLD**

**2500 WILLIAMS PARKWAY**

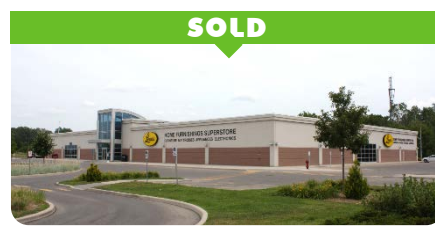
Brampton, ON	
Price	\$12,220,000
Size	132,402 sq. ft.
Asset Class	Industrial
Buyer	Private Investor



**SOLD**

**HURONTARIO STREET & BRUNEL ROAD**

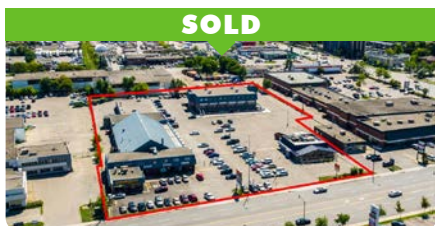
Mississauga, ON	
Price	\$21,658,000
Size	16.66 Acres
Asset Class	ICI Land
Buyer	Private Investor



**SOLD**

**THE SHOPS ON HENRY**

218 Henry Street   Brantford, ON	
Price	\$12,375,000
Size	47,820 sq. ft. on 7.69 acres
Asset Class	Retail
Buyer	Private Investor



**SOLD**

**237-239 QUEEN STREET EAST**

Brampton, ON	
Price	\$6,825,000
Size	58,045 sq. ft.
Asset Class	Commercial
Buyer	Private Investor



**SOLD**

**369 BRITANNIA ROAD EAST**

Mississauga, ON	
Price	\$7,800,000
Size	34,245 sq. ft.
Asset Class	Industrial
Buyer	Private Investor



**SOLD**

**COMMERCE PARK PORTFOLIO**

Barrie, ON	
Price	Confidential
Size	87,702 sq. ft.
Asset Class	Retail
Buyer	Private Investor



**ON THE MARKET**

**CADENCE EDUCATION PORTFOLIO**

Mississauga, Brampton, Richmond Hill ON	
Asking Price	Unpriced
Size	53,340 sq. ft.
Asset Class	Institutional



**COMING SOON**

**DIXIE MID-WAY**

Mississauga, ON	
Asking Price	Unpriced
Size	47,196 sq. ft.
Asset Class	Retail



**COMING SOON**

**418 THE WESTWAY**

Toronto, ON	
Asking Price	\$1,700,000
Size	2,925 sq. ft.
Asset Class	Retail

## CASE STUDY :: CROSSDOCK TERMINALS DISPOSITION

### THE DEAL

In 2016, CBRE was engaged to divest a 10-building portfolio of crossdock truck terminals spread across 8 different Canadian markets. Crossdock truck terminals are specialized properties that are used by the Less-Than-Truckload (LTL) trucking sector for consolidating and delivering smaller freight shipments. Fully occupied by Quik X Transportation, a division of TransForce, the terminals are in key locations within their respective markets.

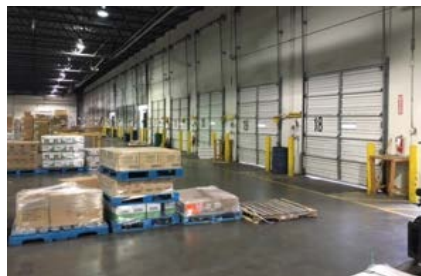
### OUR STRATEGY

While the properties were marketed together, we advised the vendor to consider selling individual sites or clusters of assets to mitigate deal risk associated with a specialized asset class. Given the sheer size of the offering and the exposure to one tenant with the same lease expiry in less than 5 years meant multiple transactions was a more viable option. It also expanded the pool of potential purchasers as the deal size could vary and appeal to a broader audience, creating more competition and ultimately more value for the vendor.



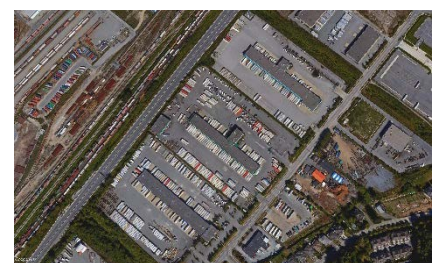
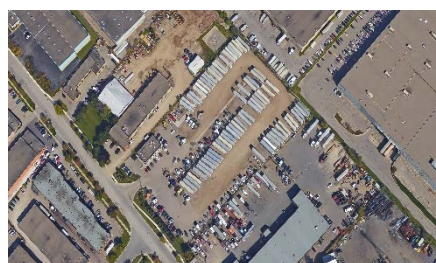
### HIGHLIGHTS

- Ten functional crossdock truck terminals totaling 320,452 sq. ft. on approximately 79.83 acres of land
- Fully leased assets located in eight markets across Canada
- Best in class facilities that are difficult to replicate
- 100% occupied with long term, care free net leases
- Secure tenancy with an industry leading transport company
- Strong occupancy history with growing rents
- Free and clear of financing



### RESULT

By offering a flexible marketing process, educating potential buyers about the LTL industry and the tenant and the importance of these locations resulted in 15 total bids for the properties. Our process culminated in 3 separate deals to 3 diverse buyers with the aggregate sale price in excess of \$95 million.



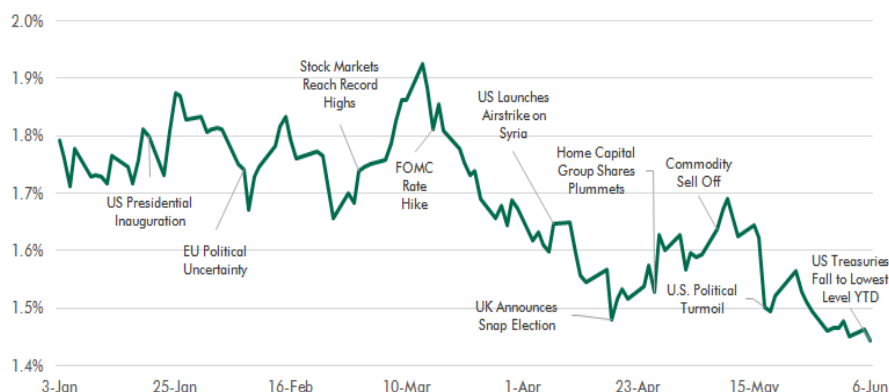
## COMMERCIAL REAL ESTATE FUNDAMENTALS

### Key Indicators, June 2017

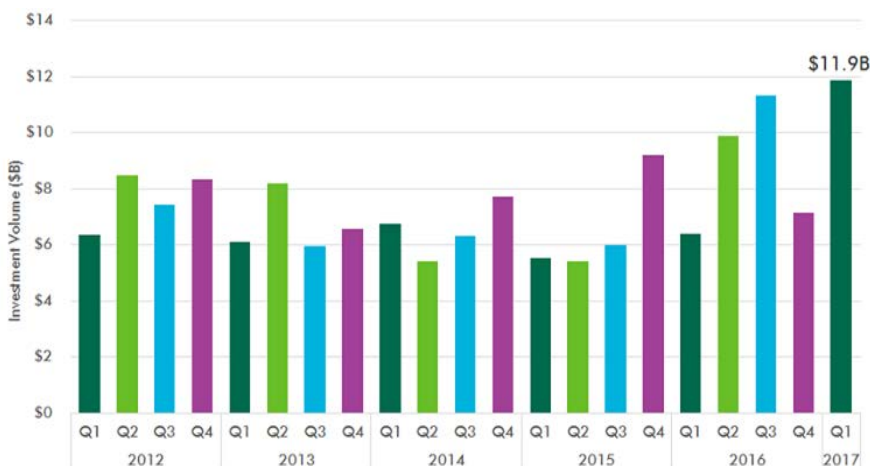
		Last Close
Canada Yields	30 Day CDOR	0.85%
	5 yr Bond	0.93%
	10 yr Bond	1.39%
U.S. Yields	5 yr Treasury	1.71%
	10 yr Treasury	2.15%
Exchange Rate	CAD/USD	\$0.743
REIT Index	S&P/TSX Capped REIT	162.41
Oil	WTI Crude	\$48.19

Source: Thomson Reuters, June 2017

### Canada 10 Yr Bond Historical Yields



### Q2 2017 Commercial Real Estate Investment Volumes



After hitting recording record investment volumes in 2016, Canadian commercial real estate investments continued to set records to start the new year. **National commercial property investments totaled a staggering \$11.9B in Q1 2017**, representing increases of +66% and +86% quarter-over-quarter and year-over-year respectively. The quarterly total of \$11.9B was not only a record Q1, but also a five-year quarterly high in Canada.

Q1 investment totals typically lag behind the rest of the year. Since 2012, the average investment volume for first quarters has been \$6.2B, while the quarterly average in quarters two to four has been \$7.6B. If this trend is any indication, then the current elevated Q1 totals would suggest a robust commercial real estate investment market continuing into the balance of 2017.

## ABOUT US

With over 60 years of combined commercial real estate experience at CBRE, the team of Tim Pacaud, Scott MacKenzie and Jordan Lunan specialize in a variety of asset classes in suburban markets across Ontario. With unique insight and access to private, public and institutional capital sources, our team is well equipped to handle almost any requirement and craft a vision to take advantage of current market conditions.

For more information or market activity or any of our recent transactions, please contact us.



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