

A 3D, white, embossed map of Canada is centered in the background. The map shows the outlines of the provinces and territories, with some internal regional boundaries. The map is set against a light gray gradient background.

# The **JLL Vision** of an Evolving Market

Ottawa | October 8, 2015



NATIONAL RETAIL INVESTMENT GROUP

# Shifting Dynamics

1 In the past 12 months, North American retailers have announced the closing of 6,000 stores.



2 E-Commerce has forced retailers to re-think what "standard" formats look like.



3 Estimated 23M square feet of vacancy to absorb across Canadian retail market.

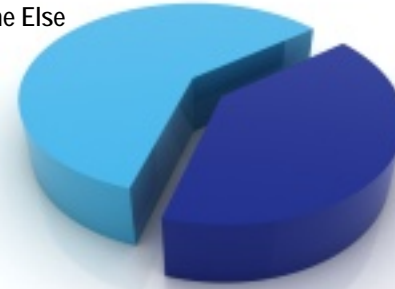
## The JLL Vision

Development opportunities will be limited as Landlord's look to backfill space and redevelop centres in prime locations. Landlords without expertise will look to dispose of vacancy issues.

# The Markets

1 40% of Canadians live in 6 major markets.

Everyone Else



Toronto, Montreal,  
Vancouver, Calgary,  
Edmonton, Ottawa



2 1 in 3 Canadians live in markets smaller than 50,000 population

3 Average grocery anchored plaza serves a population of 10,000.



## The JLL Vision

Well anchored centres in secondary markets offer a secure investment at a better return. Risk is overstated, especially when short term liquidity is not a goal.

# The Buyers

- 1 Over 50% of successful Retail Transactions in 2015 have been completed with Private Capital.



- 2 Large REIT and Institutional Buyers are focussing on Major Markets – disposing of Secondary.

- 3 Average bid depth for “A” Class centres across Canada was 10+ bidders.



## The JLL Vision

It is a Sellers Market, especially at the top end. Equity and Debt are plentiful – opportunities are not. Selective pruning of portfolios combined with core and “out of the box” acquisitions will prove valuable.

# The Transactions

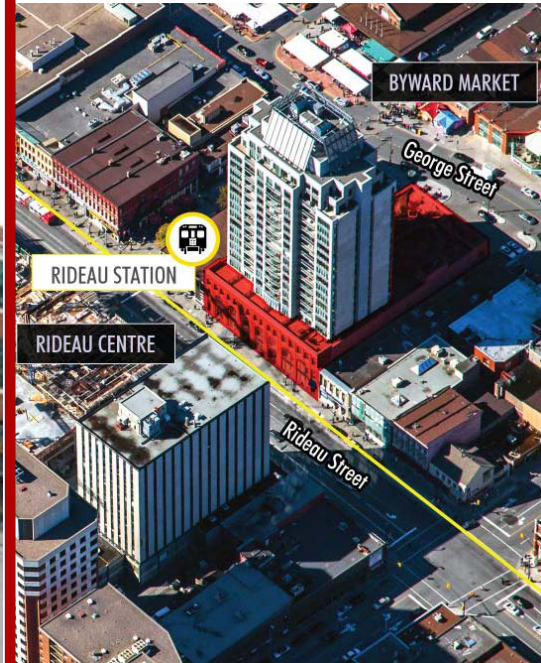
**1** 175 Rue Principle  
Gatineau



**2** 171-179 Rideau  
Ottawa



**3** 90 George Street  
Ottawa



## The JLL Vision

Ottawa's urban retail is in demand as density and transit improve. Ottawa continues to be a closed market to many investors with little opportunity to buy existing assets.





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