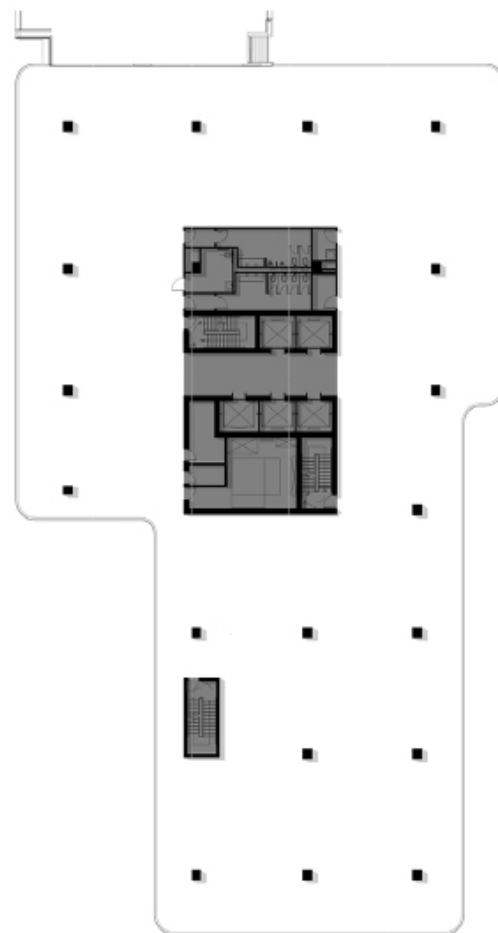




SHOPIFY INC.
KING PORTLAND
CENTRE
2016 REX AWARD
WINNER
OFFICE LEASE OF THE
YEAR



KING PORTLAND CENTRE

- > 258,000 SF
- > 14 Floors
 - Typical Floor Plate – 23,117 SF
- > LEED Platinum Core and Shell
- > Water Recycling
- > Green roof
- > Solar panels
- > Automated Lighting and water conserving fixtures
- > Raised underfloor delivery system
- > Electric car-charging stations and bike storage
- > Close proximity to multiple TTC routes, the Gardiner and Lakeshore





KING PORTLAND CENTRE

- > Diverse Pedestrian Network
- > Retail: South Lobby = 7,350 SF
North Lobby = 5,403 SF
- > Building within a building design
- > Two lobby entrances
- > First six floors - brick on brick
- > 11 foot floor to ceiling glass





WHO IS SHOPIFY INC.

- > Ottawa based multi-channel, cloud based, Ecommerce company supporting small and medium sized businesses
- > Principal focus on helping brands sell and market:
 - Online
 - Social media
 - In store
 - Out of Home



WHO IS SHOPIFY INC.

- > Founded in 2004 as a software company to assist with online sales of snow boards
- > By 2014, Shopify had 120,000 online customers and exceeded \$105 million dollars in revenue
- > May 21st 2015 initial IPO. Stock offered on NYSE at \$17.00 USD per share – and immediately traded at 60% over ask
- > As of June 30, 2017 Shopify has over 500,000 network customers, and now trades at stock price at over \$145 per share with reported revenue to date in 2017 at over \$278 million



WHO IS SHOPIFY INC.

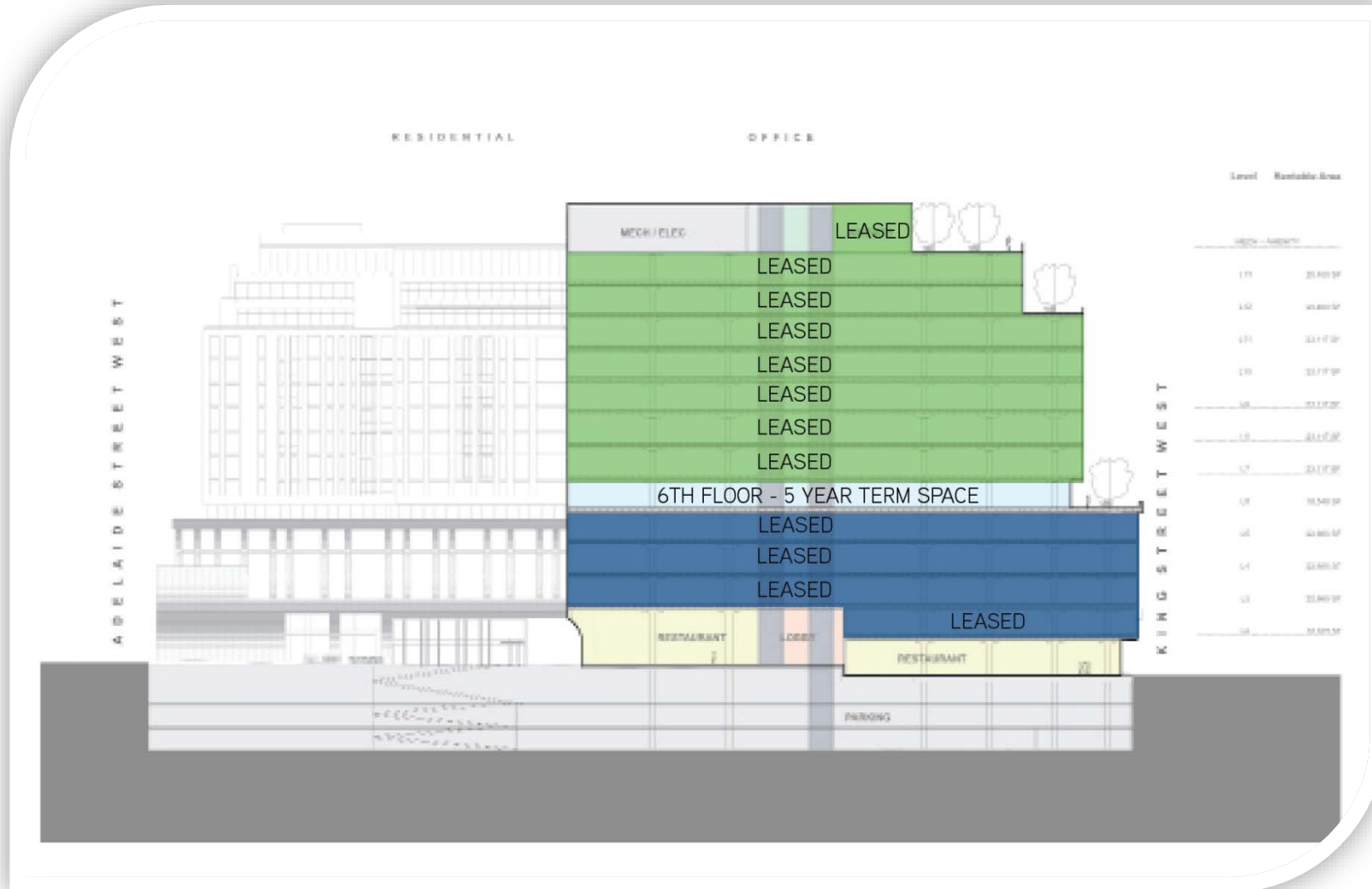
"What we're trying to do is create an environment that inspires people to do their best work."

"You know you're doing something right when people show up on weekends to hang out in the office."

"If, as a company, you're not thinking about office design and intentionally giving people spaces that are conducive to their working style, they're gonna leave and we can't afford that."

Workspaces – Grand Design -Globe and Mail Sept 13/17

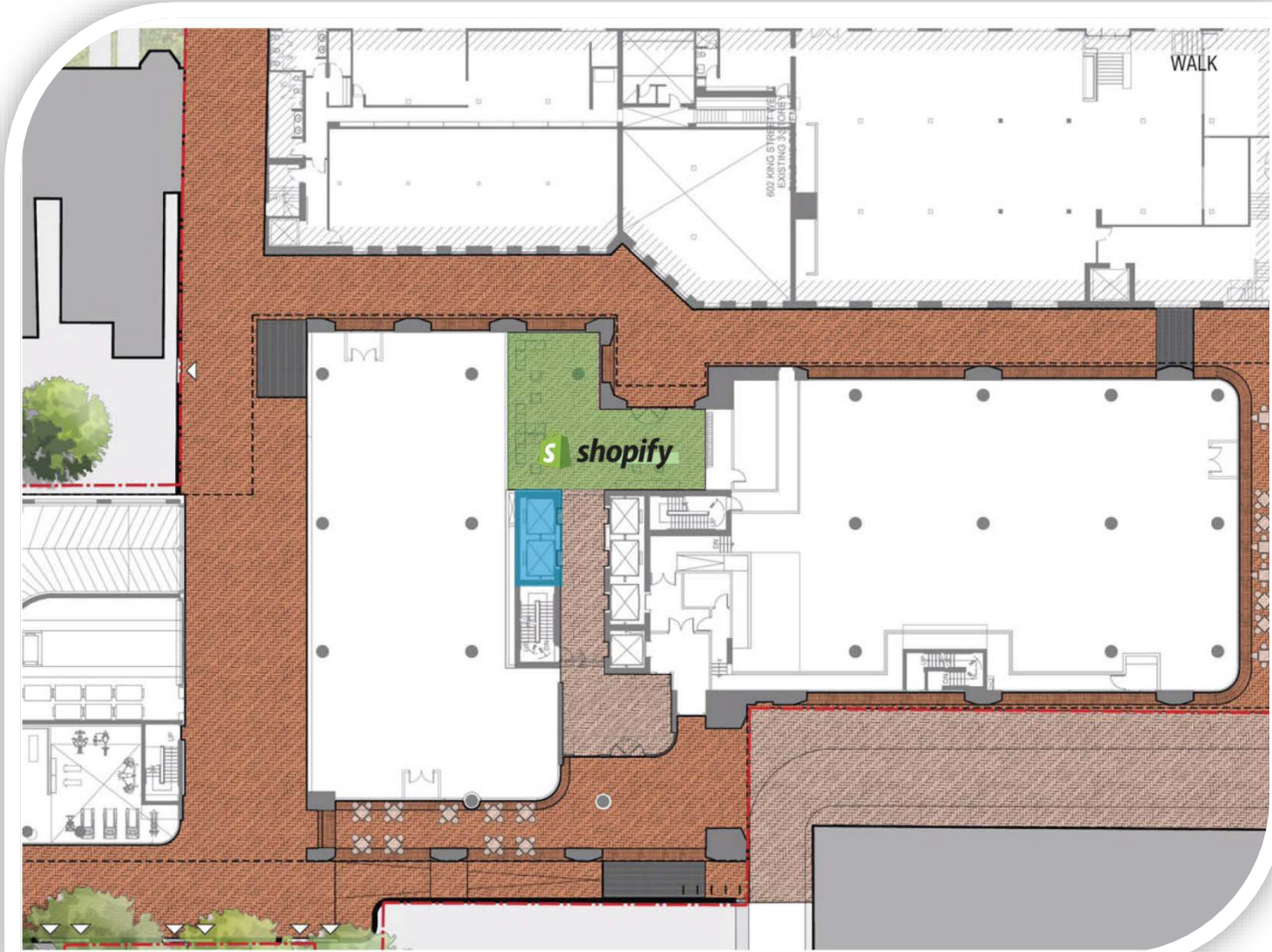
STACKING PLAN – SHOPIFY LEASED FLOORS 7 TO 14 - 159,133 SF



SHOPIFY DEDICATED LOBBY - EAST ENTRANCE



SHOPIFY BRANDED ENTRANCE & DEDICATED ELEVATORS



Shopify Branded Lobby

Shopify Branded Elevators

Featured 14th Floor Amenities Space

3,000 Indoor and 6,000 SF Outdoor



The Shopify Space Challenge

MAY 21st 2015

Shopify goes public and is outgrowing space at 80 Spadina Ave

OCTOBER 2015

- > Requirement now 80,000 -100,000 SF - occupancy Q3 2017
- > King West Location preferred
- > Allied has less than 3 % vacancy in their entire King West portfolio

DECEMBER 2015

- > Formal talks commence with Allied and several other landlords
- > Shopify now anticipates a need for up to 200,000 SF by 2020
- > Immediate Expansion for an additional 40,000 -50,000 SF anticipated

PROBLEM

- > Allied has no available expansion at 80 Spadina Ave or at any other building in King West
- > KPC will not be ready before Jan1/19
- > Allied will need to encumber as much as 100,000 SF of space at KPC to accommodate Shopify

JANUARY 2016

- > Shopify considering one move to an alternate building outside of King West – immediate Expansion needs driving the decision

The Solution

JANUARY 2016


Multiple Lease Proposals tabled

1. Expansion Option Identified : 420 Wellington Ave West
2. Renewal and Extension Required : 80 Spadina Ave
3. KPC : Initial needed to be delivered for fit-up no later than Q3 2018— no less than 100,000 SF
KPC : Expansion requirement for up to an additional 90,000 SF must be provided

FEBRUARY 2016

Condition Term sheet executed

Major Revisions included :

1. Modifications to the underfloor base building system
 2. Exclusive rights to Rooftop Amenity Floor
 3. Exclusivity on Branding on East side lobby and 2 Elevator Cabs
- 

Learnings

BE PROACTIVE

Stay out in front of your tenants business challenges so you are in position to react more effectively when the time comes

INFRASTRUCTURE AND DESIGN

Don't assume that the latest in building systems and design will always be your silver bullet

HUMAN CAPITAL

While the NER is valuable barometer to RE community its misleading to tenant occupiers and not relevant to the new narrative . The focus needs to be centered on the total cost of occupancy and delivering employees a productive work environment that is ;

1. Happy 2. Healthy 3. Inspiring 4. Safe





THANK YOU
