

Vancouver's  
Biggest-Ever  
Industrial Land Sale

Record Migration  
Creates Alberta  
Affordability Issues

Could Canada  
Get a New  
Grocery Chain?

Arlin Markowitz's  
Top 3 ICSC Vegas  
Takeaways

SUMMER  
2024

# Advantage

## Summer Sizzler:

Commercial Real  
Estate Heats Up



CBRE

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# A note from Jon Ramscar

PRESIDENT & CEO

**Maybe it's the scorching temperatures from coast to coast or the two interest rate cuts – the commercial real estate market is heating up!**

The first big commercial office sale since the pandemic closed in Vancouver in May, kicking off the next cycle of office investment. The sale to Germany's Deka Immobilien provides a market-leading data point and a boost of confidence in the Canadian office market. More good news for market watchers: increasing investment transaction volumes suggests that the investment market may have reached a bottom.

With that boost of optimism combined with positive summer vibes, we found inspiration for a special summer edition of Advantage Magazine!

We have stories of record breaking transactions, personal achievements and insights from major real estate industry events that show the market is turning and momentum is building.

For consumers, we share the latest on Canada's efforts to bring a U.S. grocery chain north of the border and give you a look inside a new fitness craze that will leave you breathless. Big things are happening in Quebec with new leadership and a reorientation of real estate professionals set to raise the bar on real estate services in the province. And from Las Vegas to Ottawa, we take you inside the rooms where the latest trends impacting your business are being discussed.

Wherever this summer edition finds you, from your dockside paradise to entertaining the next generation of business leaders on break for the summer, we hope you take inspiration from these stories.

Enjoy the rest of your summer and we look forward to helping you harness the renewed real estate momentum this fall!

*Jon*

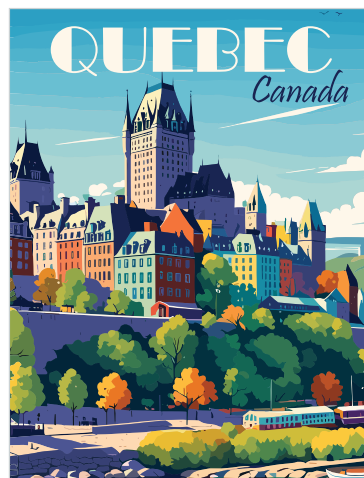


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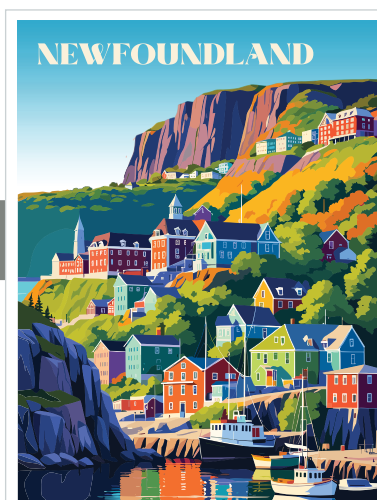
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# Vancouver Building Sales Signal a New Cycle of Canadian Office Investment



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The next cycle of office investment in Canada appears to be upon us, and CBRE's Tony Quattrin has helped to usher it in with the sale of two high profile office buildings in downtown Vancouver.

Quattrin, who co-directs Vancouver's National Investment Team, facilitated the sale of 401 West Georgia Street and 402 Dunsmuir Street, with a combined leasable area of ~415,000 sq. ft., to Germany's Deka Immobilien. The buildings were previously owned in a joint venture by Oxford Properties Group and Canada Pension Plan Investment Board, which CBRE represented at the time of listing.

"This transaction highlights the resilience of the Vancouver office market and provides a market-leading data point," says CBRE Canada President and CEO Jon Ramscar. "While the office sector is evolving, office space will continue to play an important role for companies looking to innovate and attract top talent in an increasingly competitive business environment."

## Fully Leased

401 West Georgia Street – a 22-storey tower built in 1984, and renovated in 2020 – and 402 Dunsmuir Street, a newly constructed 9-storey building completed in 2020, are situated in the office and tech centre of Vancouver's financial core, creating a campus environment that spans an entire city block.

Both properties are fully leased, with Aon Canada Inc., Unbounce Marketing Solutions, Richards Buell Sutton, BuildDirect.com Technologies, and Amazon Web Services serving as anchor tenants, providing synergies with Amazon's The Post project located directly across the street. The two buildings boast LEED Gold and WELL sustainability certifications.

"This mandate represented a very rare opportunity to own significant stock in Vancouver's office market," says Quattrin. "You don't see opportunities like this come on the market very often. As a result, we generated considerable interest from dozens of groups, including several international capital groups."

Vancouver NIT leveraged CBRE's national and global platform to enhance distribution of its global marketing campaign, implementing a confidential and competitive marketing and bid process.

## Enter Deka

CBRE ultimately secured Germany's Deka Immobilien as the purchaser of 401 West Georgia Street and 402 Dunsmuir Street, signaling a return of international interest to Vancouver's real estate market.

Deka said this acquisition will be incorporated into the portfolio of its open-ended real estate fund. With this transaction the fund expands its global diversification and continues to focus on prime real estate in major cities worldwide.

"This was definitely a landmark transaction conducted in one of the most uncertain economic environments in recent history, and represents renewed investor interest in our office market," says Quattrin. "The vision and courage by all parties to commit to such a high-profile market leading transaction in these turbulent times is a true testament to the confident leadership of the organizations on both sides of the transaction."





“This was a landmark transaction conducted in an uncertain economic environment and represents renewed investor interest in our office market.”

— TONY QUATTRIN CBRE VANCOUVER





# CBRE Brokers North Vancouver's Biggest-Ever Industrial Land Sale

CBRE's Chris MacCauley has brokered North Vancouver's biggest-ever industrial property sale.

MacCauley and Travis Blangleil advised ERCO Worldwide, a Toronto-based inorganic industrial chemical producer, on its sale of 100 Forester St. for a record \$145 million to HTEC, which designs, builds, owns and operates hydrogen fuel production infrastructure.

The 21.4 acre site will be home to HTEC's new North Vancouver Clean Liquid Hydrogen Facility, enabling the delivery of clean hydrogen transportation fuel throughout B.C. and the Pacific Northwest. ERCO Worldwide will lease back a portion of the property on a long-term basis for its own manufacturing operations, which include generating by-product hydrogen gas through electrolysis.

The sale of 100 Forester St. marked the culmination of a 24-month process involving transaction and capital structuring, regulatory strategizing, and zoning and land use approvals from District of North Vancouver.

"Transactions of this calibre and magnitude are a rarity in today's market," says MacCauley, who notes that it was Metro Vancouver's second largest-ever industrial land deal in dollar value (Amazon had the largest).

"We ran a thorough process, a worldwide, international and national process, and it speaks to

CBRE's global reach that we, together with ERCO, were ultimately able to bring to the table a unique purchaser that was a fit for more than just the land acquisition."

## Synergies in Place

MacCauley says HTEC and ERCO had a decade-long relationship prior to the sale of 100 Forester, which helped the deal come together. "There were some synergies already in place between the two companies, and they were able to structure an ongoing partnership"

Amid Metro Vancouver's dwindling land inventory, and with no path forward to increase that land inventory (mostly owing to government regulations), MacCauley says "we're going to continue to see record pricing for industrial properties as owner-users who need to be in our market come to the understanding that this is the price you pay to be here."

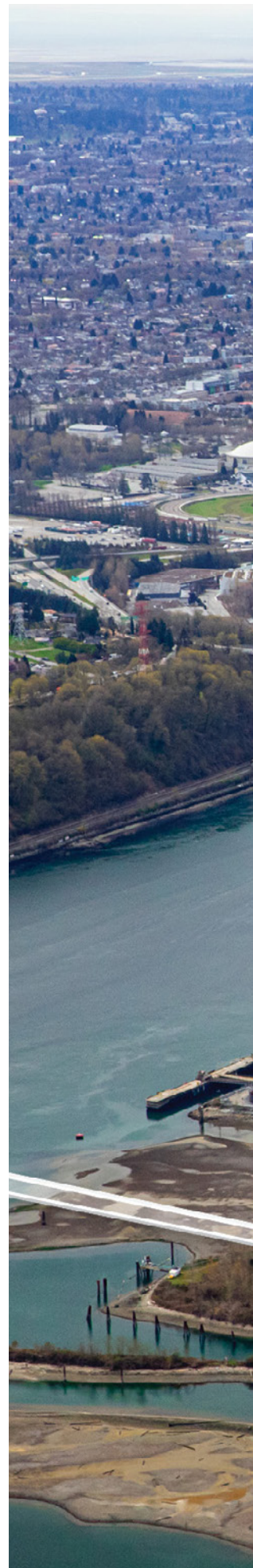
The sale of 100 Forester is a win for the buyer, seller and the environment, a demonstration of how businesses can align to achieve common goals while bettering the environment.

That's almost as good as the record price tag.



"It speaks to CBRE's global reach that we were ultimately able to bring to the table a unique purchaser that was a fit for more than just the land acquisition."

— CHRIS MACCAULEY CBRE VANCOUVER









# Alberta's Advantage in Question as Record Migration Creates Housing Affordability Issues

Alberta is a victim of its own success. Having witnessed unprecedented migration in recent years, Calgary and Edmonton are now grappling with rising home prices, apartment rent increases and a steady decrease in multifamily vacancy rates.

"Alberta is going through the same housing crisis as the rest of Canada but the recent influx of people to our province has exacerbated the impacts here," says Greg Kwong, CBRE's Canadian Prairie Regional Managing Director.

In 2023 alone Alberta welcomed a record 202,324 new residents, representing 4.4% population growth. This included a national record for interprovincial migration, with a net gain of 55,107 people moving from other provinces, primarily Ontario and British Columbia.

"People come to Alberta for a lower cost of living, a strong job supply and because it's a great place to raise a family," says Kwong. "And although it's still cheaper to live here than in most other provinces, rent is much higher than five to six years ago, and it's negatively impacting Albertans who have lived here for years."

## Priced Out

Albertans are facing some of the fastest-growing apartment rents in Canada, with rent appreciation at its highest in over 40 years. The province's average rent reached \$1,746 per month in May 2024, up 16% since last year. Three-bedroom units led the increase, with rents rising 21.0% year over year. Despite the recent upward movement in rents, Alberta's average rent remains more than 20% below the national average of \$2,150.

In Calgary, average rent reached \$2,089, 9.0% higher than last year, while Edmonton's grew 13.0% year-over-year to \$1,514 (in comparison, Vancouver's average rent is \$2,982 and Toronto's is \$2,757). Alberta's average vacancy rate dropped to 2.0% at the end of 2023, according to CMHC; Calgary's fell to 1.4% while Edmonton's decreased to 2.4%.

"Rents have appreciated significantly," notes CBRE Edmonton's Managing Director Dave Young. "But we're still nowhere near Toronto and Vancouver rents."

## Cities Take Action

Local governments are working to address the added pressures of the migration boom. Calgary's city council has recently approved citywide rezoning to increase density, allowing the construction of duplexes, townhouses and rowhouses. Edmonton passed a similar motion in late 2023, overhauling its zoning bylaw for the first time since the 1960s.

Both cities have faced backlash as homeowners worry about the potential impact of high-density development on the makeup of their neighbourhoods and the value of their homes. Some have voiced concerns about gentrification, arguing that increasing density would replace older, more affordable housing with pricier properties. But the 'not in my backyard' sentiment isn't the only obstacle ahead.

"These changes will allow for increased density and infill but I am concerned that this will force development in areas that don't have as much demand," says Young.

The new changes incentivize development in urban centres, even though tenant demand is traditionally larger in suburban nodes. "Our suburban employment and post-secondary nodes are strong drivers of the local economy," says CBRE Edmonton's Thomas Chibri. "People want to live close to where they work, so if we don't allow suburban development they will move elsewhere."





"The lack of affordable housing could threaten Alberta's advantage if we don't tackle this challenge now."  
-Dave Young



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Toronto, ON



Another unintended consequence of infill development is the lack of servicing capacity developers may encounter in some areas. Existing water, sewage, drainage and electrical capacities may not be sufficient to sustain high-density developments, resulting in additional costs for developers.

Kwong adds that a shortage of skilled trades workers could threaten development activity, with Alberta's construction industry short-staffed by as much as 20%. Immigration provides little relief; 2% of newcomers to Canada are working in construction and trades, down from 4%. "There's no lack of will to build more housing," says Kwong. "We need supply now, but increasing costs, delays and province-wide labour shortages are holding back construction."

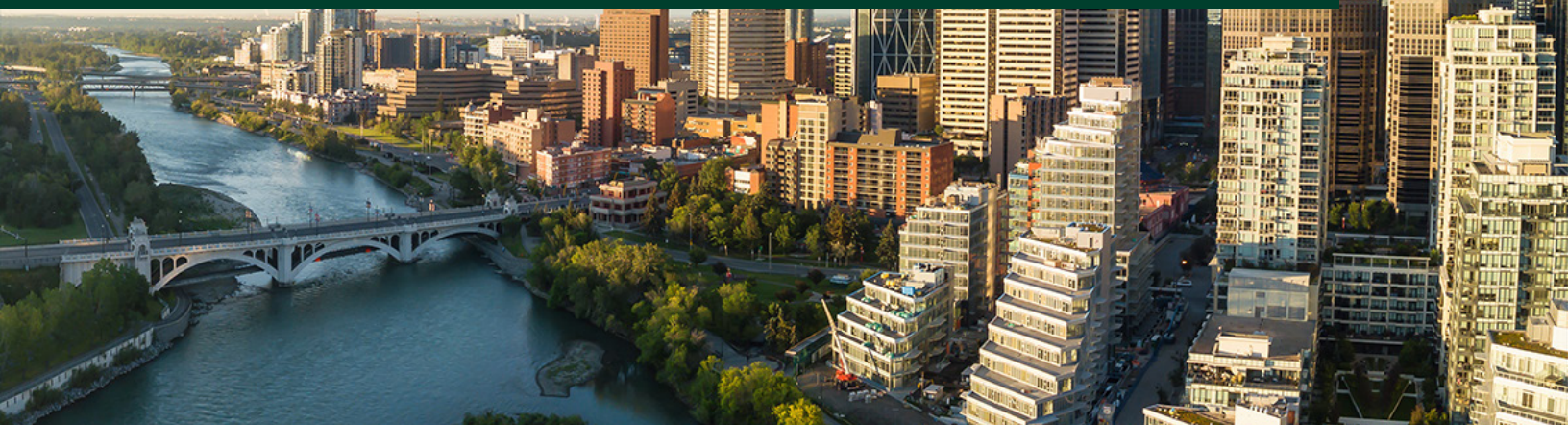
### Retail Benefits

Alberta's population spike has created challenges, but the surge of new arrivals has been a big boon for its retail sector, says Kwong. "Grocery-anchored shopping centres are booming and restaurants all over Calgary are bustling with people."

Young says Alberta's retail sector is poised for significant growth as new residents will need places to shop and eat. He believes industrial and logistics will also fare well in the coming years. "Even in an economic slowdown, there's still a need to maintain and repair equipment that services our economy," he says. "This puts Edmonton in a stable position to continue creating jobs for the future."

The province's economy is benefitting from the influx of young workers, notably tech talent, contributing to diversification. But developing homes for all this new talent will be critical for sustained success. "We need to encourage supply by reducing the costs incurred by developers," says Chibri. "Whether that be by introducing tax credits, limiting mill rate increases or providing grants and incentives, we have to find ways to encourage more supply while improving affordability."

Young believes Alberta's current growth rate can be sustained in the long term. "Our population is young, educated and growing. Jobs are abundant. Our economy is diversifying," he says. "There's very little that Alberta can't do when we put our minds to it. But the lack of affordable housing could threaten Alberta's advantage if we don't tackle this challenge now. As we can see elsewhere in Canada, there's no time to wait."



# Could Canada Get a New Grocery Chain?



Matt Jackson, CBRE Toronto

As grocery prices continue to anger Canadian shoppers, federal Industry Minister François-Philippe Champagne has been courting a U.S. grocery chain in a bid to shake up the domestic market and challenge Canada's Big Five supermarket chains (Metro, Loblaws, Sobeys, Walmart and Costco).

What if Canada were to get a new entrant into its grocery market? Would it succeed? How long until it was operational? And what would the plan be for winning over Canadian shoppers?

Matthew Jackson, Vice President with CBRE's National Retail Group, has helped foreign retailers break into Canada. He says it is not an easy path forward.

"A number of international grocers have taken a look at the Canadian market, one could assume Aldi or Trader Joe's, for example – we've been hearing about it for years," says Jackson. "But Whole Foods is likely the last big name to pull the trigger when they entered the Canadian market in 2002."

## Daunting Prospect

That's because it's a daunting prospect for an international grocery chain to break into the Canadian market and expect to provide meaningful competition at the scale a grocery giant like Aldi might expect.



“There’s a fair bit of general hesitation about coming to Canada and grocery is more complicated and competitive than other retail.”

—Matt Jackson

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Target’s failure in Canada, and the departures of Nordstrom and Lowes in more recent years, increased the caution level for U.S. retailers looking at entering Canada. “There’s a fair bit of general hesitation about coming here and grocery is more complicated and competitive,” Jackson says.

Grocery supply chains deal with perishable food items that require cold storage facilities, for example, and they require food terminals and transportation networks to get those groceries to stores in a reasonable time frame.

“There’s a big difference between dealing with clothing or Rolex watches versus lettuce,” says Jackson. “It’s a whole other set of problems, which is likely a major reason why we haven’t seen a grocery chain come to Canada in decades.”

### Room for More

Can the Canadian market even accommodate a new grocery entrant?

Large incumbent grocery players like Loblaw and Empire have real estate arms and control many prime locations for grocery stores.

Exclusive use clauses, known as restricted covenants in leases, effectively make it impossible for landlords to allow rival stores to open up near one of Canada’s Big Five grocery chains, who control more than two-thirds of domestic grocery sales. Those lease clauses allow grocery stores, and other retailers, to ensure that their investments are safe from excessive competition.

But Jackson says

there is still “a ton of space” in Canadian markets for a new grocery chain. “Many new residential developments have at-grade and second-floor commercial spaces in their podiums that would be ideal for grocery use, especially for a smaller shop like a Lidl.”

And shopping centre landlords, who witnessed the resiliency and profitability of having a grocery anchor in their malls during the pandemic, are looking to lure more grocery stores and are willing to spend capital to make room for them, including consolidating smaller spaces to create a larger one for grocery use.

“Everybody wants a grocery tenant now,” says Jackson. “People generally shop for food one to two times a week and other tenants benefit from the traffic generation.”

“Landlords are seeing the added value of higher rents and higher occupancy rates that typically come with a grocery store. And enclosed mall landlords will create space to accommodate a grocer by assembling under-performing retail units.”

# CBRE Finds Air Locker Training Its First Canadian Location

## It's a breathtaking deal.

Australian fitness banner Air Locker Training, a gym that simulates high-altitude environments by removing oxygen from the air, has arrived in Canada and is slated to open its first location, in Vaughan, ON, this summer.

CBRE's Karlyn Knafo worked with Air Locker to secure the location, at 2338 Major MacKenzie Dr., near Keele St., the first of what her client hopes will be many gyms across Canada, including a future flagship in downtown Toronto.

Instead of using oxygen-throttling masks, Air Locker's revolutionary concept enables clients to breathe normally while compressors remove oxygen from the air, simulating the effects of training at an elevation of 11,000 feet.

"From elite athletes, traveling hikers and climbers to your average fitness enthusiast, altitude training is a great new way of training," Knafo says. "Air Locker's vision is to meet the growing demand for this by opening in major cities across Canada."

### From Down Under to The Great White North

Knafo was well-suited to help Air Locker Training set up shop in the Greater Toronto Area, having done eight deals for F45 locations; collectively her team has done more than 30 deals with F45.

"We have a good understanding of the parameters around what a fitness tenant is looking for, whether it's the ceiling height, width of the building, base building systems, column spacing, or parking, to name a few considerations," says Knafo.

The owner of Air Locker's Canadian business, Alina Pock, is a residential real estate agent by trade. "So she preferred to deal with a team that knows what it's doing and understands fitness user requirements inside and out."

### Challenging Search

Air Locker Training faced quite a few restrictions on where it could locate, based on the exclusive use agreements that shopping centres had with other fitness uses. "Vaughan is a saturated market when it comes to fitness," Knafo says. And zoning allowances for fitness use vary across the city. "So we weren't able to go into just any area."

At the location Air Locker ultimately decided on Knafo had to employ her powers of persuasion to convince the tenant next door to make a few adjustments to give her client a bit more room. "We asked if we could get 300 square feet of their space and move the demising wall, and they were kind enough to accommodate us."

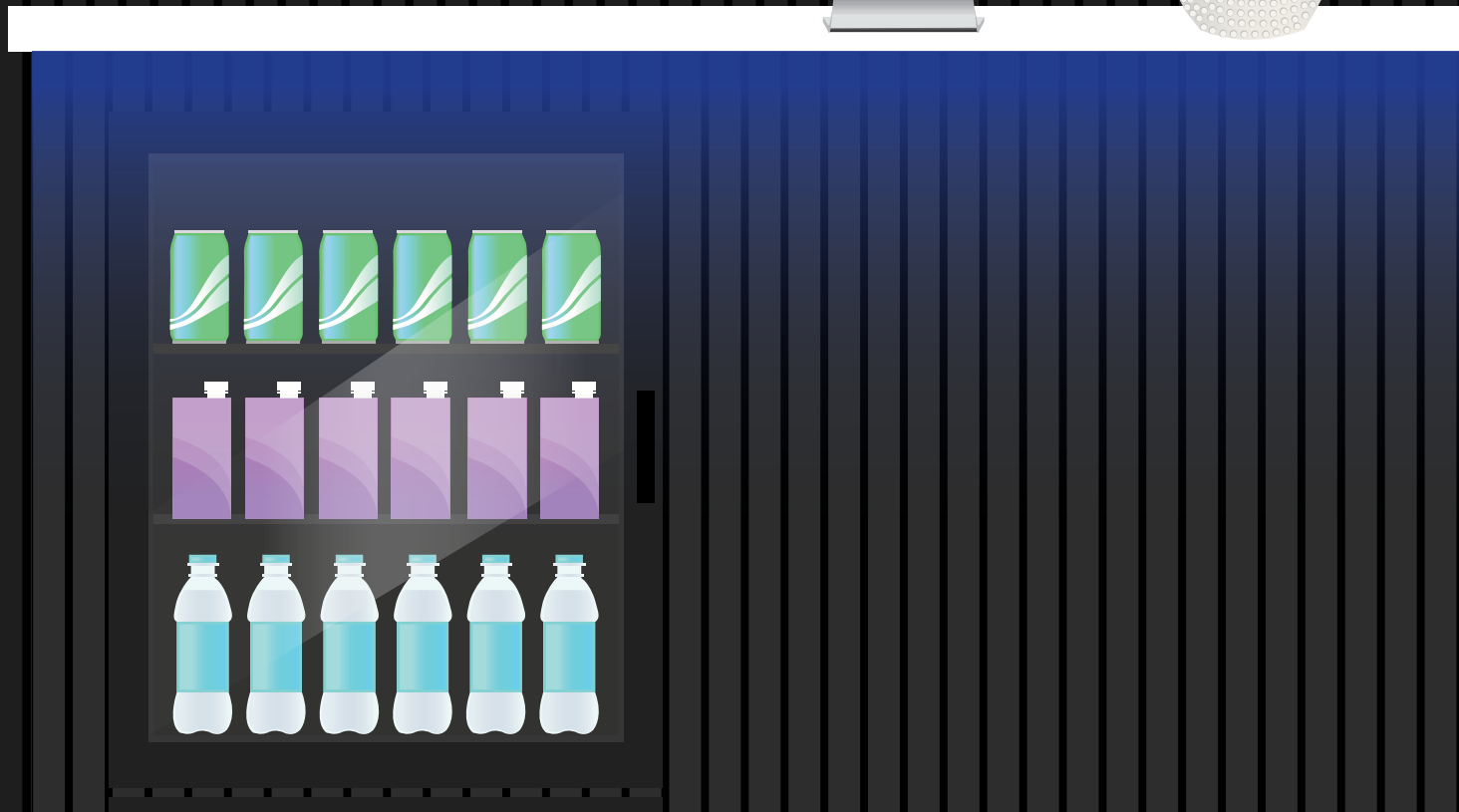
Knafo went to great lengths to find the right space for her client, and now Air Locker Training is finally set to introduce its unique concept to Canada. "It feels like we climbed a mountain to get this concept rolling, but this is the beginning of something different and exciting for the Canadian fitness market," she says. "I'm proud to be a part of it."



"This is the beginning of something different and exciting for the Canadian fitness market."

— KARLYN KNAFO CBRE TORONTO

# AIR LOCKER TRAINING





# CBRE's Arlin Markowitz Shares His ICSC Las Vegas Takeaways

Arlin Markowitz is back from ICSC Las Vegas, the retail industry's three-day summit of the dealmakers and industry players driving innovation in commercial real estate. And the leader of CBRE Toronto's Urban Retail Team (URT) is buzzing about the state of things in the retail world.

"It was the best-attended ICSC in years," Markowitz says, noting that he and URT Senior Vice President Jackson Turner networked with high street retail teams from around the world, including Singapore, Milan, Los Angeles, New York City, Paris and London. "Everybody came to this and it was powerful to see. It felt like we were back to full-blown 2019 levels."

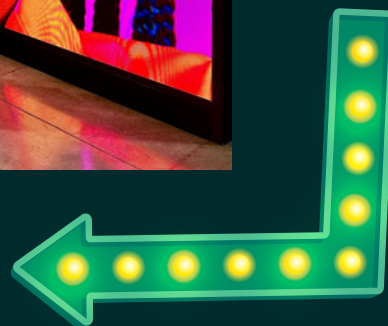




Arlin Markowitz (L) and Jackson Turner at ICSC Las Vegas



Here are some of Markowitz's other takeaways from ICSC Las Vegas and what's ahead for retail in Canada.



### Restaurants Are Red Hot

Restaurant groups were "all over" the event, Markowitz says. "The restaurant leasing market in the U.S. and Canada is super competitive. If you've got well-located restaurant space with a patio, you're going to have multiple groups competing for it. Or if a drive-thru comes up in the suburbs, that's a bidding war between every fast food and coffee chain in North America."

Speaking of fast food, the Jersey Mike's Subs booth at ICSC Las Vegas was "rammed," Markowitz says. "They must have given out a thousand subs." He dishes that Jersey Mike's is "set to come into Canada in a major way to compete with Subway."

### Fashion is Back

In the pandemic years it seemed that most of the retail deals getting done were in fitness, food, banks, service and pharmacy, not in apparel and fashion. So Markowitz says it was refreshing to see the return of the fashion and athleisure brands at this ICSC Las Vegas. "They were very well represented."

One such group was Swiss performance running shoe and clothing brand On, which Markowitz says was busy doing deals. Richemont and Kering, two global luxury retail powerhouses, were also on hand. "They hadn't been at ICSC in some of the previous years so it was great to see them back."

Markowitz and Turner spoke with a number of new-to-market brands who will be coming soon to Toronto's Bloor-Yorkville neighbourhood – the Urban Retail Team's domain. And he says a major brand in the high-end furniture space has a flagship deal in the works for Canada and will compete with Restoration Hardware.

### Canadian Pride

Markowitz felt proud as a Canadian to see the interest in home-grown restaurant brands like Earls and Joey, a CBRE client. "We had brokers asking us, 'Do you think Joey would look at New York City?' 'Do you think they want a location in San Francisco?'"

He heard the same conversations about Arc'teryx, another CBRE client. "It was great to see this Canadian brand front and centre at the show. They're rolling out an expansion globally and in the U.S., just like they are in Canada, having just opened their flagship on Bloor."

Markowitz felt further pride when he happened upon the new Canada Goose store in the lobby of the Wynn Hotel in Las Vegas. "I thought if they're selling winter jackets and Canada Goose apparel when it's 100 degrees, these Canadian brands are doing something right."

"Canadian retail is having a moment globally."



# Buildings With No Path to ESG Won't Make Office Tour Lists

Landlords who aren't reviewing "every single aspect" of how they operate and manage buildings will see the value of their portfolios decrease as decarbonization becomes industry standard.

That was the blunt message CBRE Canada Chairman Paul Morassutti delivered to a recent Building Owners and Managers Association (BOMA) event in Ottawa, "Making Sense of ESG."

"A number of buildings in Canada right now are melting ice cubes: buildings whose asset value will only go down," Morassutti said during a discussion alongside CBRE Client Care Senior Director Amy Bugg, hosted by Colonnade BridgePort CEO Hugh Gorman.

"If you're a building owner and you know that tenants increasingly want to be in a sustainable building or a building with a net zero commitment, and you're not a part of that discussion, you're just hastening the value decline."

Canada and the U.S. are lagging the rest of the world on embracing ESG, in part because of the politicization of ESG, which is all too often conflated with 'wokeness,' Morassutti said. "Some landlords are understandably wary of the costs involved, and they're not too sure they need to go there too quickly."

"Well, tenants increasingly have a requirement to be in these kinds of buildings, and if you do not have a (decarbonization) strategy in place then don't be surprised when your building doesn't even show up on the tour list."

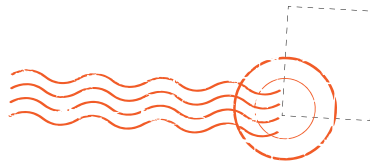
"It's something that a few years ago was a nice to have," Morassutti added. "Today's it's a must-have."

Ottawa  
Canada



"If you're a building owner and you know that tenants want to be in a sustainable building and you're not part of that discussion, you're just hastening the value decline."

- Paul Morassutti



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CBRE Canada Chairman Paul Morassutti (far right) and Client Care Senior Director Amy Bugg speak with Colonnade BridgePort CEO Hugh Gorman.

## Don't Forget the 'S'

Bugg noted that while the commercial real estate industry tends to focus on the 'E' of the ESG equation – the environmental and sustainability aspects – companies would be “remiss not to address the 'S' piece, or the Social.”

“Our most valuable assets are our people, and our internal stakeholders are demanding more from an S perspective,” she said. “This goes above and beyond, corporate donations. It involves more candid conversations around corporate culture, more diverse hiring practices, and more women in senior leadership roles. And we are seeing real changes in this area.”

Bringing forward the social aspect of ESG is essential, Bugg added. “Landlords of buildings need to acknowledge the humans using them and how those people interact with the space. It's not just about a high-performing sustainable box. It's about a humanistic approach to the built environment.”

And what about the 'G', or the Governance aspects of ESG, an audience member asked. “If you're a public real estate company, your board is well aware of these issues,” Morassutti said. “So even if you're a CEO and you don't take it seriously, your board will remind you that you do have to.”

## Attracting Tenants, Maintaining Value

There's been an exhaustive amount of press on hybrid work and its impact on office building values. Every owner in Canada would prefer to see more people in-office. In this regard, however, landlords are not in the driver's seat, Morassutti said.

“Companies will decide what's best for them and landlords have little say in that. What landlords can do is ensure that their buildings match up with occupier needs. And today, one of those needs, among others, is a sustainable building. And good landlords are providing exactly that.”

This brings some owners back to cost/return considerations in a manner that is almost identical to the discussions around building to LEED

standards decades ago. When LEED designations were just taking off, many owners focused on the incremental costs and what sort of rent premiums could be achieved.

That conversation disappeared quickly, Morassutti said, as developers and owners realized certain tenants would not occupy buildings that had no LEED certification. “Owners were focused more on what they could expect to get in rent by getting their assets LEED-certified.

“That's how we're looking at ESG now and that's the wrong way to look at it. Ultimately, do you want to own a portfolio that is economically obsolete, or a

portfolio that will remain competitive for the next two decades? That is the real question.”

“Trying to parse out the incremental value of these things is a mug's game.”

## Not Enough Sustainable Space

The prevailing narrative in the office world at the moment is that there is a glut of empty space on the market.

“This may seem very counterintuitive, but the reality is we don't have enough of the kind of space that tenants want,” Morassutti told the BOMA Ottawa audience. “If the federal government is reflective of the demand and wants all its office space to be net zero by 2030, then we don't have enough space to satisfy that requirement.

Many landlords and institutional investors have set targets to decarbonize their portfolios by 2030. Morassutti noted that the deadline is drawing near and Canada has so far decarbonized “maybe 1%” of its total building inventory.

“At that pace we're on track to hit those targets by 2070. So there's a lot more that has to get done.”

## ESG Leadership

Asked which companies are leading the way on ESG, Morassutti pointed to the global logistics real estate giant Prologis.

“ESG and sustainability is not simply a silo that's bolted onto their business, it's embedded in everything they do, all across their supply chain, including upstream and downstream emissions. They're also making space in their warehouses around the world for humanitarian aid and disaster relief, and they're active in the communities in which they operate.”

In the era of climate change, no one wants to be compared to an ice cube. So this is a moment of reckoning for landlords in Canada.

# Louis Karam Returns Home to Run CBRE Quebec

Louis Karam, CBRE's newly minted Managing Director for Quebec, has always been well served by his strong entrepreneurial spirit.

Born in Lebanon, Karam moved to Montreal at 11. After high school, he attended l'École Polytechnique de Montréal, where he earned a bachelor's degree in electrical engineering and a master's in project management.

Karam's first job out of university involved managing the construction of a data centre. Despite his inexperience, he jumped in and figured things out on the fly. "That was my initial exposure to the world of real estate," Karam recalls. "I didn't have all the answers, but I worked creatively and diligently to help deliver the right solution for my client."

## Joining CBRE

After five years at Montreal-based engineering giant SNC-Lavalin, Karam joined CBRE's Global Workplace Solutions (GWS), where he managed technical projects and later led Project Management divisions in Quebec and Eastern Canada. His entrepreneurial drive thrived in CBRE's supportive culture.

"The entrepreneurial nature of the real estate business and how it's fostered at CBRE kept me here. I loved diving into the sales side and working closely with brokers. Working at CBRE gave me a real appreciation for how real estate professionals operate. It drove me to do all I could to empower my team to achieve great things."

## Capital Gain

In 2021, Karam became Managing Director of CBRE Ottawa, earning his team's trust through his people-focused leadership. "I came from outside the brokerage world, and I didn't know the market. Being a good listener and genuinely caring about my team helped me gain their trust."

Last year was a record revenue year for CBRE Ottawa in its 25 years of operation, a testament to the team's hard work and collaboration. "I am incredibly proud of that achievement," Karam says. "The credit goes to our teams who worked tirelessly and exceeded client expectations."

## Happy Homecoming

Returning to Montreal holds deep meaning for Karam. "It feels great to be back home and return to a market I know well," he says. His family, wife and two boys are thrilled to have him back full-time. "My biggest motivation for returning to Montreal was to be closer to my family," he shares. "Being away three days a week was tough on all of us."

Karam will continue to oversee the Ottawa office, hiring a sales manager for the day-to-day support.

## Strong Team

Karam inherits a strong team in Montreal and aims to attract and recruit younger talent, fostering their growth in the CBRE way. He is also excited about the potential evolution in Quebec City.

"I can't wait to lean in and help our advisors and clients achieve their full potential across the province."





"I can't wait to lean in and help our advisors and clients achieve their full potential in Quebec."

— Louis Karam



CERI

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Toronto



Louis Karam seen above and at left with CBRE Canada President & CEO Jon Ramscar and the Montreal brokerage team.



# New Brokerage Team Positions CBRE for Maximum Service in Quebec City

CBRE

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# QUEBEC

Canada

Patrick Soucy, William Grenon, Maxime Paquet and Maxime St-Pierre now call CBRE home. That's a game changer for real estate services in Quebec City.

And it's all happening in a great location, with CBRE getting set to open a new office at Place de la Cité on Laurier Boulevard in Quebec City.

"This is a great day for our clients in Quebec City," says CBRE Quebec Managing Director Louis Karam. "We have the best real estate advisors under one roof and will be able to offer our industry-leading standard of real estate services in what is largely considered to be Canada's most under-served commercial real estate market."

The new recruits give CBRE diverse coverage across the commercial real estate market. "We are turning Quebec City CBRE green," says Soucy, who moved back to the city, his hometown, in 2012 to set up an office for a competing real estate services firm.

He notes that his team offers expertise in office and industrial tenant representation, office and industrial landlord representation, investment sales, building and land disposals, and sales and leaseback. In the last eight years the team has completed 600 transactions, representing a total of 5.7 million square feet and a value of \$480 million.

## Perfect Match

Soucy and his team will be joining forces with CBRE Vice President Philippe Lambert, who's been on the Quebec City brokerage team since 2015, along with a market-leading Valuations and Advisory Services team and a Debt and Structured Finance team, which CBRE added last fall.

It wasn't an easy decision to move on from the company where he'd worked for 17 years, Soucy says, but he saw CBRE as having "all the tools we really needed to grow our business and up our game further. Philippe is doing well and our joining forces with him should make for a perfect match."

"We want to be even better and grow the corporate side of our brokerage in Quebec City," adds Grenon. "CBRE was the best place for us to achieve that."

Quebec City is one of the last big markets in Canada that doesn't have a substantial commercial brokerage presence, Grenon points out. "Most transactions here are done by tenants themselves. They don't use commercial brokerage. They are assuming so much risk and missing out on vital information and cost savings, but we look forward to changing that."





"We are now able to offer a fuller scope of services to our clients, with Patrick's brokerage team joining me and our existing VAS and DSF teams," Lambert says. "No one else in Quebec City can offer this breadth of services. CBRE is truly a one-stop shop."

"Philippe and his team have done a great job positioning us for success in Quebec City," Karam adds, "and now with the merger of these two powerhouses our clients will experience a new standard for real estate outcomes."

### Believing in Quebec City

Grenon says Quebec City is often seen by investors as a small village or a suburb of Montreal. "That's why it was important for us to be with a company that believes in Quebec City and the growth that is possible here, and that wants to focus its efforts on fueling that growth."

Opportunity abounds in Quebec City, which has emerged as a tech hub in recent years. The city's industrial market has plenty of upside; Lambert brokered a deal that saw Immostar build a 122,000 sq. ft. distribution centre for PepsiCo Canada, the largest transaction in Quebec City in 2023.

Lambert says private capital investment has been picking up in Quebec City, too. "I've been doing a lot of small investment deals lately." And high-density multifamily development has been gathering steam, as well.

"We are in a great position to offer Quebec City clients unprecedented opportunities to seize the moment in this rapidly evolving market," Karam says. "Patrick, William, Maxime Paquet and Maxime St-Pierre add serious octane to the operation. Philippe and his group have helped establish in Quebec City."

"I'm excited to see where this dream team will take us."



Patrick Soucy



Philippe Lambert



William Grenon



Maxime Paquet



Maxime St-Pierre

# Embracing Indigenous Tourism to Support Reconciliation

June marked National Indigenous History Month, but it is important to support Indigenous tourism, cultural preservation and reconciliation in Canada year-round.

An Indigenous tourism business or experience is defined by the Indigenous Tourism Association of Canada as “a tourism business majority owned, operated and/or controlled by First Nations, Inuit or Métis peoples that demonstrates a connection and responsibility to the local Indigenous community and traditional territory where the operation is based.” It is also important to note that authentic Indigenous tourism is by not about Indigenous people.

“Canada is built on Indigenous land,” says CBRE Tourism Consulting’s Rebecca Godfrey. “International and domestic visitors want to understand this country’s history and learn about Indigenous knowledge and traditions in a genuine and mutually respectful manner.”

As travellers become more intentional about choosing authentic experiences, Indigenous tourism offers a variety of options. Destination Indigenous breaks down Indigenous tourism experiences into five categories: Culture & Heritage, Nature & Wildlife, Arts & Crafts, Culinary Experiences and Reconciliation.

Godfrey spotlights five Indigenous tourism destinations from across the country showcasing the great variety of cultures, different Nations and traditions.



**“International and domestic visitors want to understand this country’s history and learn about Indigenous knowledge and traditions in a genuine and mutually respectful manner.”**

— **REBECCA GODFREY** CBRE TORONTO



## 1 Culture & Heritage: Métis Crossing, Alberta

Métis Crossing, Alberta's Métis cultural interpretive centre, shares Métis stories through immersive activities such as traditional dances, guided wildlife tours and paddling along a historic fur trade route. Visitors can stay at the lodge, in sky-watching domes or in trapper's tents and enjoy Métis dishes made from locally harvested ingredients such as Saskatoon berries, Haskap berries and bison.

Métis Crossing takes a sustainable approach to tourism by shaping its practices around a deep connection with the land, ensuring its heritage can be preserved for future generations. Permaculture installations help reuse water from the site's drainage systems to grow plants traditionally used by Métis people.

A solar farm project will help offset the Métis Nation of Alberta's electricity use and generate economic benefits for the community, with revenues supporting local sustainable development and social initiatives. "Métis Crossing is a great example of regenerative tourism, which is informed by traditional Indigenous stewardship towards the land and the support of local communities," Godfrey says. "Indigenous peoples should be looked to as leaders in this space."



## 2 Nature and Wildlife: Aski Holistic Adventures, Saskatchewan

Aski Holistic Adventures offers year-round wilderness adventures along the Saskatchewan River delta. Cree-Métis guide Michela Carriere shares her knowledge of the land through herbal medicine walks, canoeing trips, bird watching and nature therapy workshops. The expeditions aim to foster spiritual, emotional and physical healing, and transformation.

"Visitors can learn from ancestral wisdom that has incorporated nature and wellness for centuries," says Godfrey. "By experiencing Indigenous ways of living in the presence of Indigenous guides, visitors have the opportunity to develop a deeper connection with the land and its people."



### 3 Crafts and Traditional Experiences: Manito Ahbee, Manitoba

Travel Manitoba is a great example of a Canadian tourism organization working with Indigenous partners to encourage visitors to immerse themselves in authentic Indigenous-led tourism experiences. One such experience is Manito Ahbee, a yearly festival held on a sacred site of the same name, where the First Peoples of Turtle Island (North America) have gathered for millennia.

The festival unites residents and visitors in honouring Indigenous culture and teachings through events including a pow wow, a marketplace selling local Indigenous art and merchandise, Indigenous film viewings, and a horse relay race. "The Manito Ahbee Festival teaches us that art brings people together and helps preserve Indigenous culture and heritage," Godfrey says. "According to its creators, the site on which it is held is 'recognized and honoured by Indigenous peoples across North America as a sacred place for all people.'"show us that traditional culinary experiences are based on a profound respect for the land."



### 4 Reconciliation: Woodland Cultural Centre, Ontario

The Woodland Cultural Centre (WCC) is located on the site of Brantford's former Mohawk Institute Residential School, which closed in 1970. The WCC spotlights the story of the Hodinohsho:ni people of the Eastern Woodlands and preserves Indigenous language and heritage through events, workshops and a museum containing over 50,000 artifacts. It also offers a virtual tour of the former residential school with information on its 140-year history and testimonies from five survivors.

"The unmarked graves found across the country have made it clear that there is an urgent need for all of us to partake in reconciliation," says Godfrey. "The WCC makes listening to the stories of survivors of residential schools and honouring those who have passed accessible to everyone."







## Tourism for Reconciliation

Indigenous entrepreneurs, artists and communities often benefit from enhanced economic prosperity through Indigenous tourism. Indigenous communities can start to heal and reclaim their traditions by sharing their stories and culture through Indigenous tourism, which thereby plays an important role in cultural preservation, revitalization and reconciliation.

Indigenous communities in Canada aren't the only ones leveraging tourism to share their traditional ways. Māori culture has become integral to Tourism New Zealand's visitor experience. Tourism Australia has partnered with Reconciliation Australia to develop a Reconciliation Action Plan to support local Indigenous tourism. And Discover Aboriginal Experiences promotes over 200 Aboriginal-led tourism experiences across Australia.

"It's not just about providing authentic experiences for travellers," says Godfrey. "It's about supporting Indigenous communities, preserving and revitalizing their cultural legacies and participating in reconciliation. Authentic Indigenous tourism has the potential to be a powerful tool for change."

## 5 Culinary Experiences: Red Bank Lodge, New Brunswick


The Red Bank Lodge is an Indigenous-owned log cabin overlooking the Miramichi River and connected to two national historic sites showcasing the cultural heritage of the Mi'kmaq people of Metepenagiag. Visitors of the Red Bank Lodge can partake in guided Atlantic salmon fishing trips, wildlife watching, winter snowshoe tours and traditional bread making. They can also enjoy local Indigenous cuisine including wild game, fiddleheads, bannock and teaberry leaf tea. "Indigenous teachings show us that traditional culinary experiences are based on a profound respect for the land," says Godfrey.





# From Classroom to Boardroom:

## Meet 5 of CBRE Canada's Summer Interns

A decorative graphic in the bottom right corner featuring a stylized lighthouse with a red roof and white body, situated on a grey hill next to a green evergreen tree. The background of the entire slide is a dark blue gradient.

Every summer CBRE Canada welcomes a new cohort of interns eager to learn about commercial real estate through real-world experiences. These young people are talented, driven, and ready to make an impact. We spoke to five of this year's interns about what they're hoping to achieve this summer and their plans for the future.



# Lucas Cox

## VANCOUVER

Lucas Cox's interest in commercial real estate was sparked by his experience working for a developer last summer. He enjoyed seeing the city he grew up in from a new angle as he learned about commercial buildings and how they came to be. Now the fourth-year University of British Columbia Economics and Commerce student is soaking up as much information as he can during his internship at CBRE Vancouver. "My dad is an entrepreneur so I always connected with the idea of being my own boss," he says. "Brokerage is well-suited to that."

Cox is already earning his stripes as a self-starter through his work as a DJ in Vancouver's club scene. He hopes to continue developing his entrepreneurial drive this summer by getting hands-on brokerage experience, learning about the various asset classes, and building relationships with people across the industry. He's motivated, disciplined and eager to start a career at CBRE.



**Jessica Kouleas**  
WATERLOO REGION

Jessica Kouleas is no stranger to CBRE. Having recently graduated from the University of Guelph, where she studied real estate and played varsity hockey, she is back for her third summer at CBRE Waterloo Region. Kouleas realized she wanted to pursue a career in commercial real estate when office leasing broker Dean Mariani presented in one of her classes a few years back. She was immediately drawn to the people-oriented side of the business and has since been training to become a sales representative. "I want to help businesses bring their visions to life," she says.

This summer Kouleas looks forward to building connections and working alongside brokers on transactions from start to finish. She plans to earn her brokerage licence in the hopes of hitting the sales floor this September.





## Rhidita Abdur MONTREAL

Rhidita Abdur, a recent graduate from HEC Montréal's business program, is following in her family's footsteps by exploring a career in real estate. Growing up, her parents worked in residential real estate, but as she got older, Abdur became curious about the commercial side of the industry. Looking to get involved, she joined her university's real estate committee after returning from a six-month exchange in Bordeaux, France, last year. She participated in the 2024 Concordia Real Estate Games, where her team won in the Advanced Case category.

This summer Abdur is working with CBRE Montreal's research team, where she hopes to deepen her knowledge about the industry and learn about innovative mixed-use projects. "I want to soak up as much as possible and help create the market-leading reports I often researched and referenced in university," she says. Abdur is also preparing for her Chartered Financial Analyst exam, which she will be taking in November.



## Alex Falardeau OTTAWA

Alex Falardeau has had a range of jobs, including teaching gymnastics and parkour to kids. Commercial real estate is unlike anything he's ever done before, however. The second-year University of Guelph Cultures and Technology Studies student came to CBRE Ottawa to diversify his knowledge. "CBRE has opportunities in so many markets," he says. "It's a great place to build connections and try new things."

As a research intern, Falardeau has been focusing on updating local stacking plans (databases of which businesses are in what buildings) and collecting other market data, but he's open to any projects that come his way. He looks forward to getting to know his hometown of Ottawa through the lens of commercial real estate this summer. He's still figuring out his career plans, but Falardeau is certain that this internship will broaden his horizons.

If these five interns are any indication, the future of commercial real estate at CBRE Canada is bright.



## Maren Dietl TORONTO DOWNTOWN

As a third-year Media, Information & Technoculture student at Western University, Maren Dietl brings a fresh perspective to CBRE's Toronto Downtown office. She intends to try her hand at everything and learn from CBRE's commercial real estate experts, and is particularly interested in the retail sector. "Retail combines real estate with my interest in marketing, advertising and my love of shopping," she says. "Exploring something I'm already passionate about through the context of real estate makes me more interested in the industry."

Dietl has already learned much during her time at CBRE, familiarizing herself with commercial real estate lingo and navigating working in a male-dominated industry. Fortunately Dietl thrives in unfamiliar territories, having signed up for a six-and-a-half-month solo student exchange in Perth, Australia, for the upcoming school year. While her career goals have yet to be decided, Dietl is confident her CBRE internship is bringing her one step closer to finding her calling.



# How CBRE's Nikki Poole Found Her Niche in Newfoundland and Labrador Real Estate

When CBRE's Nikki Poole moved from Ontario to Newfoundland 16 years ago, she was stepping into the unknown. But she didn't let that deter her, seeing it as an opportunity to build relationships, sharpen her skills and carve out a place for herself in Newfoundland's close-knit commercial real estate community.

Fast forward to today, and Poole's just been named winner of BOMA Newfoundland's President's Award, a recognition of the integral part she has come to play in the local community and real estate industry.

Poole helms CBRE's St. John's operation alongside Jerry O'Neill and Olivia Martin, specializing in landlord and tenant representation for office, industrial and retail properties. Operating out of CBRE's newly constructed office on the St. John's harbourfront, she is on a mission to help her clients seize opportunities across the province.

"I'm proud to be known as a person who will answer the phone and help people," Poole says. "Especially since I'm not from here. I've had to hustle to build my network and make a name for myself."



## Doing Things Differently

Moving to Newfoundland in 2008 meant Poole had to learn different ways of operating. "Doing business in Newfoundland is distinct from any other part of Canada," she says. "There are unique logistical challenges here, such as higher construction costs and limited product availability."

At the same time, Poole, a University of New Brunswick graduate, found that working in a smaller market brought a sense of camaraderie and mutual support that she hadn't experienced elsewhere. "Our business community is small but exceptional. Everyone knows each other so Board of Trade events can be more fun than kitchen parties. It enables us to better service clients too, since we always know who to call to get things done."

Poole has had to develop expertise across various asset classes. "One day I'm helping local retailers find space, the next I'm negotiating office deals on behalf of large corporations. It keeps things from getting monotonous."

"I always have my eyes and ears open so that I'm aware of every relocation, every shovel in the ground and every new store opening," she adds. "Every sector is so broad so being curious and asking lots of questions is essential to succeed here."

## St. John's Snapshot

The St. John's office market saw vacancy reach 20.8% in the first quarter of 2024, with suburban Class A properties boasting the lowest rate of all segments at 9.0%. But Poole says the tide is turning for downtown office buildings. "In the past 12 months, we've seen renewed interest in downtown St. John's as business leaders realize the value of vibrancy and amenities."

The local CBRE office recently helped oil and gas company TechnipFMC move to a 13,000-sq.-ft. space downtown, with several other large tenants following suit, creating flight-to-quality opportunities for companies looking to locate in the suburban buildings many of those groups left behind.

St. John's industrial availability rate reached 11.4% at the end of 2023, with Class A warehouse availability hovering near 0%. "Much of the remaining inventory is dated and no speculative construction is under-way," says Poole. "Industrial developers should consider our market as the opportunities here are abundant."

Newfoundland's retail sector is faring well, with Poole pointing to a flurry of local deals in St. John's and surrounding areas. Like in the rest of Atlantic Canada, Newfoundland's tertiary markets are drawing retailer interest, especially from quick-service restaurant operators.

Poole has helped Dairy Queen expand its presence on the island with a new location in Grand Falls-Windsor in April and two stores currently under construction in Corner Brook and Gander. "Newfoundland is an emerging market so it's a great place for out-of-province franchisees to carve out a niche," she says.

### Offshore Projects and Growth

Poole is optimistic about the province's growth prospects. In January Newfoundland and Labrador's population reached 540,552, the highest since 1998. "We're seeing increased immigration and better retention of new Canadians coming here," she says. "People are starting to see the benefits of Newfoundland living. On a sunny day, there's nowhere better to be in the country."

Another promising development is the selection of Newfoundland's west coast for World Energy GH2's Project Nujiqonik, a wind-to-hydrogen development. The project remains in the planning stages but Canada has already signed an agreement with Germany to create a transatlantic hydrogen supply corridor. "This project will spur growth, create many jobs and generate commercial real estate opportunities," says Poole. "It's positive news for our market."

### Looking Ahead

Poole is confident about the future of Newfoundland and Labrador commercial real estate. She's noticed increased land, building and investment sale opportunities. She believes the local market will see a boom once work begins on that offshore hydrogen project and while the oil and gas market maintains an optimistic future.

She hopes to continue growing CBRE's business and expanding her team's reach across the province. Poole also has plans to get a foothold in the multifamily market. "There will be more construction in the apartment and housing sector and that means there's an opportunity for us to better service our clients in that field."

"Our team is part of the tight-knit local real estate community while also having access to CBRE's global network of resources. Clients looking to enter Newfoundland should reach out – we can help them navigate challenges and find the right opportunities in this market."



Nikki Poole receiving BOMA Newfoundland's President's Award.

"Doing business in Newfoundland is distinct from any other part of Canada. We can help clients navigate challenges and find opportunities in this market."

-Nikki Poole





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